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MEN'S FASHION
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A SPECIAL REPORT

Herald Tribune

INTERNATIONAL

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TODAY: STAGE Good Guys, Bad Guys, Page 9

Mauricio Pilar/The Associated Press

The Dollar		
New York	Tuesday @ 4 P.M.	previous close
Euro	1.1585	1.1497
Pound	1.6305	1.6295
Yen	112.425	108.575
DM	1.6912	1.7012
FF	5.672	5.7055

Dollars per pound and per euro.

The Dow		
	Tuesday close	percent change
—145.21	9,474.68	—1.51%

S&P 500		
		percent change
—24.34	1,239.54	—1.93%

Nasdaq		
		percent change
—63.58	2,321.00	—2.67%

Traders working on the floor of the Bovespa stock exchange in Sao Paulo, Brazil. Shares dropped sharply for the second straight day Tuesday amid fears the government would fail to fend off a financial crisis after the state of Minas Gerais said last week it was placing a 90-day moratorium on payments on its $15 billion of debt to the central government. Other Latin markets also fell. Page 11.

Saddam Turns Up Heat in Mideast

Saudi Arabia Is Denounced By Baghdad

By Joseph Fitchett
International Herald Tribune

PARIS — The battle to sway Arab public opinion about Iraq broadened Tuesday as Baghdad accused Saudi Arabia's rulers of betraying the Arab cause and colluding with the United States to punish the Iraqi people — the first time that the government of Saddam Hussein has lashed out so pointedly against the leading conservative Arab government in the Gulf.

Baghdad's charges were greeted by U.S. officials as a sign of weakness and growing desperation around President Saddam, and the Clinton administration moved to step up international military and diplomatic pressure on him.

With the Iraqi verbal assault mounting on other Arab governments, Secretary of State Madeleine Albright scheduled a fresh round of top-level talks with Baghdad's main Arab foes, announcing that she will visit Saudi Arabia and Egypt in two weeks to discuss Iraq.

Reiterating the U.S. theme that Mr. Saddam is rattling a cage he cannot break, Defense Secretary William Cohen warned that Iraqi air defenses would be destroyed if they continued harassing U.S. planes in the no-flight zones.

On Tuesday an F-16 jet fired a missile at an Iraqi air defense site near Mosul, the main city in northern Iraq, when the ground radar locked onto the U.S. plane on a patrol. It was the sixth such incident in two weeks, including one Monday in which U.S. planes fired missiles at two radar sites.

The Clinton administration disclosed plans to send eight more F-16s — as well as four more tankers for in-flight refueling — this week to bolster monitoring in the southern zone, where U.S. commanders reported five Iraqi violations on Tuesday, with no combat.

Despite Iraq's aerial and verbal escalation over the last week against Kuwait and other pro-Western Arab governments, U.S. and Arab officials said that the moves amounted to bluster, with Mr. Saddam powerless to destabilize other regimes or mount a major threat beyond hoping to down a U.S. warplane with a lucky hit.

The officials, who spoke on condition that they were not identified, said that a pattern was emerging in the Iraqi threats and the ripostes from Washington and its Arab allies, including shadow-boxing in the no-flight zones, Baghdad's rhetoric about withdrawing recognition of Kuwait's borders and the jockeying

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Food Delivery An Issue as Iraq Sells Oil

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — As pressure mounts to lift economic sanctions on Iraq in the name of helping its people, evidence is accumulating that President Saddam Hussein is deliberately denying Iraqis, especially children, food and medicine bought under a plan permitting limited oil sales, diplomats and officials said Tuesday.

The Iraqis are also turning back ships and planes from neighboring nations trying to bring in relief goods, which are permitted under United Nations sanctions.

At the same time, Mr. Saddam is ordering that record amounts of oil be pumped, more than independent experts think the decrepit Iraqi system can produce without significant damage.

UN officials say that in the last three weeks, Iraq pumped an average of 2 million barrels of oil a day.

In Baghdad on Tuesday, an oil ministry official said that the country would try to raise that to 3 million barrels a day in the near future and 3.5 million barrels within two years.

That would be more than the 3.1 million barrels a day produced before Iraq's invasion of Kuwait in 1990, after which the oil embargo was imposed.

Under the "oil for food" program, Iraq is permitted to sell $5.26 billion worth of oil every six months to raise money for civilian needs, but the record low price of oil has kept Iraq from meeting that target. Baghdad's announcement depressed the price of oil even further. In afternoon trading, contracts for future delivery of crude oil were down 33 cents at $13.11 a barrel.

UN officials say that hundreds of millions of dollars are available to purchase food and medicine and that significant quantities have been bought. But some of the food, especially milk and cheese that relief officials say would add needed protein to Iraqi diets, has been sitting undistributed in warehouses.

Medicines are also taking inexplicably long to be distributed.

A diplomat familiar with the purchases said that Iraq's charges that children are dying of curable leukemia because of a lack of the correct medicine are, for example, probably not true.

"The medicines they need were on the approved list but have not been ordered," he said, adding that recommended nutritional boosters for children under five were also not bought, although the Iraqis said publicly that they had ordered them.

AGENDA

Moscow College Penalized by U.S.

WASHINGTON (AP) — The United States imposed economic penalties Tuesday against a Moscow university and two other Russian institutions, accusing them of assisting Iran with nuclear and missile technology.

Sandy Berger, the national security adviser, gave no details of the sanctions. Similar penalties were imposed against seven other Russian institutions in July.

Utah Retains Games

The 2002 Winter Games will not be moved from Salt Lake City, Utah, despite a growing bribery scandal, the International Olympic Committee said Tuesday.

The committee spoke after its senior member, Marc Hodler, who is also head of the oversight panel for the 2002 Games, said they could be moved or canceled if Salt Lake City could not meet its $1.45 billion budget.

The IHT on-line www.iht.com

Foreign Banks Turn Wary of China

Many Cut Back Lending After Beijing Strands GITIC's Creditors

By Philip Segal
International Herald Tribune

HONG KONG — Foreign bankers said Tuesday that they had cut back lending to Chinese companies, just days after they were left holding hundreds of millions of dollars in bad debt in the country's biggest corporate bankruptcy.

Some bankers here say they are telling clients that China is already headed for a credit crunch, increasing the risk of more bankruptcies and more defaults.

Foreign creditors were informed Sunday that government-owned Guangdong International Trust & Investment Corp. had debts exceeding $4 billion — more than double the estimates when it collapsed in October and nearly twice GITIC's assets. Worse news still was that China would not put foreign banks at the head of the list of creditors, something foreign bankers had taken for granted on the basis of experience.

Now, as foreign bankers attempt to determine when and whether they can get any of their money back from China's biggest bankrupt company, the flow of money that has for the past decade traveled from Hong Kong into China is contracting, bankers say.

U.S. fears China will crack down anew on political activists. Page 4.

"Foreign banks won't extend more lines of credit because they couldn't explain it to their head offices," said a capital markets executive at a European investment bank here.

Other than loans from Chinese banks, "medium-term financing is pretty much impossible" for Chinese companies, the investment banker said.

"The problem is the potential systemic risk in China," said an executive at a French bank in Hong Kong. If banks together stop lending, "it means more bankruptcies."

The debt problem extends beyond companies that are controlled by the various provincial governments, reaching the so-called red chips, Hong Kong-incorporated companies with some mainland Chinese backing.

A report by Goldman, Sachs & Co. published in November said that red-chip debt could total almost $13 billion. In a statement Tuesday to the stock exchange here, a subsidiary of one such company, Guangdong Enterprises, said its parent was having trouble finding funds to pay back $1.2 billion in debt due by April.

Standard & Poor's Corp. cut its debt rating last week on Guangdong Enterprises to CCC-minus, the American rat-

See CHINA, Page 8

Jordan, Basketball's Best, to Quit – Again

2d Time in 5 Years For Chicago Icon

By Mike Wise
New York Times Service

NEW YORK — Michael Jordan, basketball's preeminent player and the world's best-known athlete, will retire from the National Basketball Association for the second time in five years on Wednesday, according to three officials in the NBA with knowledge of Jordan's plans.

Jordan will hold a press conference at the Chicago Bulls' United Center arena on Wednesday beginning at 11 A.M. (1700 GMT), the Bulls organization said Tuesday.

Jordan's future has been the biggest issue in basketball in the wake of the bitter labor dispute that ended last week after an impasse that lasted six months and wiped out the early part of the season.

Aside from his athletic and entertainment value to the league, he was viewed as a cultural icon and ambassador for the sport who would help bridge the gap to disenchanted fans.

Jordan has not made a public statement regarding his plans since the lockout ended, and his agent, David Falk, declined to comment on the possibility of Jordan's retirement.

The Bulls also declined to comment. But the three officials said the decision had been made.

Recently, more signs had pointed to the game's most prominent star retiring again, at the age of 35. Falk had

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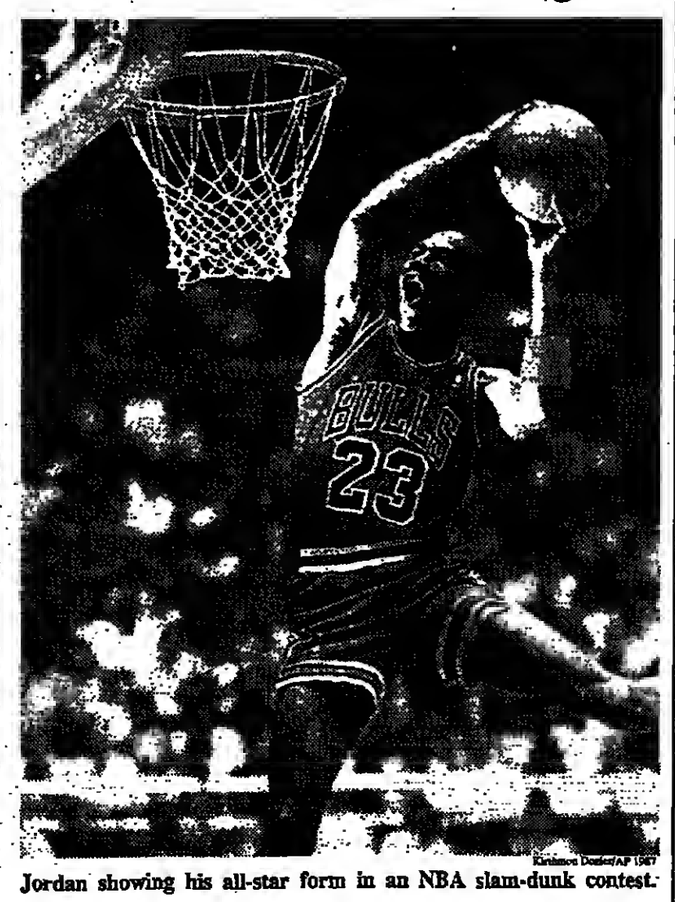

Kirkmon Donker/AP 1997

Jordan showing his all-star form in an NBA slam-dunk contest.

Congo Strife Could Redraw Map of Africa

By Ian Fisher
and Norimitsu Onishi
New York Times Service

KISANGANI, Democratic Republic of the Congo — The new chairman of Congo's state-owned mining company is not from Congo. He is a 39-year-old transport entrepreneur and former race car driver from Zimbabwe, Billy Rautenbach. Congo's president calls him "Mr. Billy."

In central Kisangani, in the nation's east, Ugandan soldiers patrol streets almost empty of cars. The cars, locals say, were stolen long ago by Rwandan soldiers, who are disliked here. These days, the Rwandans stay mostly out of sight in camps south of the Congo River.

Historically, in the minds of outsiders hungry for its riches — gold for traders and souls for missionaries — Congo, formerly Zaire, has rarely belonged to itself alone. Now this huge and unsteady state has become a battlefield for soldiers from no fewer than six foreign nations who are fighting a war that has as much to do with problems outside of Congo as inside it.

A fundamental reworking of the old

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Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	3,000 Lire	Spain	250 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

Germany Reaffirms Ties To France, With a 'But'

EU Allies Diverge on Policy Toward U.S.

By John Vinocur
International Herald Tribune

HAMBURG — In making an 80th birthday toast to Helmut Schmidt last week, Chancellor Gerhard Schroeder tried to reassure him publicly about his government's position on a handful of initiatives and attitudes the old chancellor holds as creed. "We'll protect the German-French relationship," Mr. Schroeder said for all the birthday guests to hear. "That's a promise."

This was a long way from the language of a Social Democratic candidate who, a little more than a year ago, was talking about the naggingly obligatory character of French-German relations and suggesting that what was left of the old Bonn-Paris axis could be reworked into a European leadership triangle that includes Britain.

About three months into its term, the leftist German government has signaled that it recognizes that a close relationship with France is indispensable for achieving its European aims. For the French, this is no trifling reaffirmation of their importance. But at the same time, Germany has made it clear that it is not going to be participant or tacit supporter of a developing foreign policy orientation in France that defines American power and potential unilateral action by the United States as one of the world's great worries.

NEWS ANALYSIS

In the widest sense, foreign policy under Mr. Schroeder and Foreign Minister Joschka Fischer, the Greens leader, is following the line of continuity they said it would on taking office. If France wants to affirm its difference, a difficult undertaking at a time of developing European integration, Germany is largely sticking to its long-term postwar conviction that it profits most from being regarded as a source of stability and consistency. This desire to reassure now includes reasserting its deep involvement with France.

Early in the German election campaign last year, when notions of Mr. Fischer becoming a Green foreign minister were considered little more than chat, he attacked as a potential disaster Mr. Schroeder's talk of de-emphasizing the French-German relationship. "France," he said then, as if lecturing Mr. Schroeder, "is frightened of the economic strength and the strengthened political position of Germany. But the miracle is that France and Germany manage to work together."

Almost a year later, with Britain unable to promise deeper engagement in the European Union, France is seen as a necessary central element in Germany's approach to enlarging the EU and re-

See ALLIES, Page 5

With Gene Plan, Iceland Dives Into a Controversy

Sale of Citizens' Genetic Code Pits Privacy Issues vs. Science

By John Schwartz
Washington Post Service

WASHINGTON — Iceland has decided to sell the rights to the entire population's genetic code to a biotechnology company, a move that is highlighting the promise and risks of the genetic information age.

The strikingly uniform DNA of Iceland's largely blue-eyed, blond-haired populace is expected to provide an invaluable resource for studying human genetics, leading to fundamental insights into many diseases, proponents say.

"It really is a complete paradigm shift in medicine," said Jonathan Knowles, the head of research at Roche Holding Ltd., which has signed a $200 million, five-year deal to develop new drugs and tests from the data.

But the plan is highly controversial because it will pool richly detailed genetic, medical and genealogical information about Iceland's 270,000 residents into a set of linked databases that companies will search for clues into the nature of disease.

Although a majority of Iceland's citizens support the plan, which would make Iceland the first country to sell the codes, a vocal minority of scientists and doctors — with support from a worldwide network of like-minded privacy advocates — have stoked the controversy.

"Most doctors and scientists here in Iceland are in favor of the basic purpose of this project — but find the proposed solution quite unethical and unrealistic," said Jon Erlendsson, a Reykjavik-based engineer and writer who believes the database network will eventually fail because doctors and patients will refuse to cooperate once its nature is better understood.

Opponents fear the database could make the most private details of individuals' lives public. People with mental illness or other health problems could be stigmatized, perhaps suffering job discrimination. Patients may become less willing to divulge personal information to their doctors. And in a country where some estimates say that about 10 percent of the population may have been born out of wedlock, long-held family secrets could leak out.

The fight in Iceland is focusing attention on the potential risks of efforts to mine and refine personal data, efforts that are also increasingly common around the world.

"Turning the population into electronic guinea pigs" should serve as a warning, said David Banisar of the Washington-based Electronic Privacy Information Center.

Despite the objections, Iceland could begin collecting blood to obtain the DNA samples within six months, after a period in which citizens may decline to take part. Precisely how the blood will be collected has not been determined.

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Cartel Dynasty /*3d Generation at De Beers*

The Oppenheimer in Charge: A Diamond in the Rough

By Donald G. McNeil Jr.
New York Times Service

JOHANNESBURG — A diamond cartel is forever. Periodically, the death rattles of the Oppenheimers' cartel, which sets prices for most of the world's uncut diamonds, are said to be heard. In 1905, it was synthetic diamonds. In 1942, Roosevelt's anger. In 1960, Russian discoveries. In 1977, Israeli boarding. In 1983, Australian discoveries and Zairian defection.

Each time, the cartel outwitted fate. While OPEC has withered and the tin cartel collapsed, diamonds have glittered on.

It has different names, but the cartel is De Beers, and De Beers is the Oppenheimers — as is Anglo American Corp., South Africa's dominant conglomerate. In a silicon world, diamonds and gold aren't quite what they used to be, but the Oppenheimers are still the richest of their countrymen and the most important business figures in this country.

Now the third generation is officially in charge. Nicholas Frank Oppenheimer, 53 — also known as Nicky, or NFO, or the Cuban, because of his beard — became chairman of De Beers a year ago and in November opened its new headquarters in Johannesburg.

It is not an easy time. Last month, the company announced that because of falling Asian demand, it sold fewer diamonds than it had for 12 years, a mere $3.4 billion worth. The mines are cutting back, the executives admit to sleepless nights. But not to panic. This has happened before.

In company lore, Mr. Oppenheimer's grandfather, Sir Ernest, was the daring entrepreneur, his father, Harry, the philosopher king, and Nicky is — well, something different. "Man of action" is the take on him, but it seems silly.

He is a genial teddy bear who wears funny socks and is relaxed enough to be photographed pounding an African drum with miners at a company ceremony. At the same time, he is the helmsman who negotiates billion-dollar deals with the Russians, who insist on dealing with a family member.

"It's much nicer to be known as Nice Guy than Nasty Guy," he jokes. "But you've got to have lines — and when you hit the line, that's the end of the story, nice guy or not."

In London, where he spends half his time, Mr. Oppenheimer commutes by helicopter, which he pilots. In South Africa, he has his own cricket team and personal stadium, his "grand folly," he says. In return for a $17,000-a-match donation to youth cricket, his team gets the first match with visiting national teams. There are even statuettes of him inside his stadium, but they're not imperial — they're goofy, like souvenir salt shakers.

ASKED WHY he has his own team, he explains in his typically self-deprecating way, "If you're as bad a cricketer as I am, it's the only way you get to play."

In public, Mr. Oppenheimer is modest and often pokes fun at himself. His obligatory military service in the 1960s, he said, was spent as second-in-command of a parking lot near Pretoria, signing vehicles in and out. "The army taught me to sign my name very quickly, and that's stood me in good stead the rest of my life."

And he takes umbrage at an old report that as a student, he drove a beat-up little car with a "Jesus Saves" bumper sticker. "Small, yes. Not 'Jesus Saves' but something like that. But never beat-up. Never. I take great offense at the idea that I didn't look after my car."

His own personality is in stark contrast to the reputation for ruthlessness of the cartel's Central Selling Organization in London, which estimates that 70 percent of the world's rough diamonds are bought through it. (The figure was once nearly 100 percent, but Australia's output, Russia's excess gems, stolen stones and many that slip out of war-torn Africa find their own way to cutters.) The Central Selling Organization is still capable of freezing out diamond dealers who cross it. And as the biggest buyer of diamonds throughout Africa, it is still the ultimate source of funds, whether willingly or not, for rebel movements in Angola and Sierra Leone that control diamond mines.

But Nicky Oppenheimer has brought glasnost to the business, running the Central Selling Organization since 1985 in a way very unlike that of his uncle Phillip, who was an icy and inflexible figure. He is, for example, not afraid to admit that diamonds are intrinsically worthless "except for the deep psychological need they fill" — a need that hundreds of millions of dollars in De Beers' "A Diamond Is Forever" advertising helps create.

Nor does he mind calling a cartel a cartel, though he prefers to refer to it as "single-channel marketing."

And he views with wry amusement the fact that he cannot visit the United States, by far the company's biggest market, because of a legacy of unresolved antitrust cases stretching back decades. He has been there to ski and to see relatives in San Francisco, but since an indictment charging De Beers with fixing the prices of industrial diamonds was handed up more than four years ago, no De Beers director will enter the United States for fear of being subpoenaed.

At the moment, he is focused on the reorganization of the De Beers-Anglo-Minorco consortium. Anglo, one of the world's biggest mining companies in gold, platinum and other minerals, is absorbing Minorco, a Luxembourg subsidiary that was established to evade anti-apartheid sanctions. The resulting company, Anglo American PLC, will move its headquarters and stock exchange listing to London from Johannesburg, to give it access to more capital.

As a result of the reorganization, hundreds of De Beers workers on the Anglo payroll are being shifted back to De Beers. And De Beers has moved its head office out of Anglo's headquarters in central Johannesburg to an amusement park in the city's south.

BUT THE cross-ownership between De Beers and Anglo is not being undone, nor is the Oppenheimer stake in both, Mr. Oppenheimer says. De Beers still owns roughly 40 percent of Anglo, essentially as a cash cow and as collateral for the billions it must borrow to get through bad diamond years. To keep diamond prices ever rising gently, De Beers must buy and hold raw stones. When jewelry demand sinks, that is expensive.

Mr. Oppenheimer says it is "clearly rubbish" that the family controls both De Beers and Anglo because it "directly owns" only 8 percent of Anglo. But that has been the family line for decades.

In the later years of South Africa's apartheid era, Anglo was often criticized by anti-apartheid leaders for growing rich on underpaid migrant labor. It apologized to the Truth and Reconciliation Commission in November 1997 for "many missed opportunities and many mistakes made in Anglo's corporate citizenship," including failing to house workers with their families, to desegregate workplaces and to promote blacks.

While professing no interest in politics, Mr. Oppenheimer enjoys good relations with the new government. He is on the board of Nelson Mandela's Children's Fund and he signed the deals that arranged for black ownership of substantial portions of two Anglo subsidiaries, Johnnic and JCI.

"There were many years in the 1980s when there was absolutely no contact between Anglo and De Beers and the government of the day," he says. "We never saw them, never talked. And that's really weird. With the present government, things have finally become normal. One feels the government is doing what it should in supporting business endeavors, and that's extremely healthy."

What, he is asked, would he like to be remembered for?

"Oh, I always find questions like that terribly difficult. One doesn't necessarily have a mission. I don't know — for being fair and reasonable. I suppose."

It's a trick question, he is told. He was asked it by someone else 15 years before and his answer was noted.

He smiles. "What was it?"

"For not being boring. For having lived a worthwhile life. For having been polite to people all one's life."

"Hmm," he said. "Sounds rather boring, if you ask me."

Nicholas Oppenheimer, left, answering questions in Moscow after the Russian diamond monopoly signed a deal with De Beers in 1997 that eased exports. 'It's much nicer to be known as Nice Guy than Nasty Guy,' he jokes. 'But you've got to have lines — and when you hit the line, that's the end of the story, nice guy or not.'

The Associated Press

Unsafe Wiring Problems Found On a Number of MD-11 Airliners

By Matthew L. Wald
New York Times Service

WASHINGTON — Canadian investigators have found extensive wiring problems on several MD-11 airplanes, and U.S. safety experts say more inspections are needed to avert the threat of in-flight fires.

Investigators began checking planes after the September crash of a New York-to-Geneva Swissair flight, which killed all 229 people aboard. Wires pulled from the wreckage, near Halifax, Nova Scotia, showed signs of a potentially dangerous escape of electricity, or arcing, and the Canadian authorities found other problems in MD-11s they inspected that were still in service.

Based on what the Canadian examinations found, the U.S. agency in charge of investigating air crashes, the National Transportation Safety Board, asked the Federal Aviation Administration on Monday to order checks of more wiring on MD-11s registered in the United States. The aviation agency said it was likely to order such checks "very shortly."

In the Canadian crash, suspicion has centered on the entertainment system, which used large amounts of electricity and was unique to Swissair. Although investigators found wiring problems with the entertainment system and other components, they have not identified the cause of the crash. The areas of the plane that showed arcing are common to all MD-11s, near the circuit-breaker panel in the cockpit. In arcing, an electric current jumps from the copper wires to the outside of the insulation, where it forms sparks.

In a Dec. 22 letter to Bernard Loeb, director of aviation safety at the National Transportation Safety Board, J.L. Maxwell, director of air investigations at the Canadian Transportation Safety Board, said that the wires recovered from the wreckage that showed arcing were two heavy-duty wires on the left side of the plane. The wires carry power necessary to fly the plane in an emergency.

"A few other wires that are identified as original aircraft wiring show evidence of arcing, but could not be further identified or physically located within the aircraft because the identifying insulation covers are missing," Mr. Maxwell wrote.

Other MD-11s showed a variety of flaws, like wire with insulation that was chafed or bent too tight. Electrical conduits that should have been sealed were not and "various examples of damaged, cracked, or chafed wires were found," the letter said.

Damages Case Is Thrown Out

The Associated Press

WASHINGTON — International air passengers cannot force airlines to pay damages under local laws for injuries not covered by a treaty on air travel, the U.S. Supreme Court ruled Tuesday.

The court's decision, 8 to 1, throws out a New York woman's $5 million lawsuit against the Israeli airline El Al over a pre-flight body search in which she said she was touched inappropriately by a female security officer.

The justices said that the Warsaw Convention treaty, which governs damages claims over international air travel, does not allow people to recover damages under local law for injuries not covered by the treaty itself.

Tests Expose U.S. Airport Security Failings

By Matthew L. Wald
New York Times Service

WASHINGTON — How good is airport security in the United States?

Good enough, the Federal Aviation Administration has said repeatedly. Even so, efforts by outsiders to assess security at U.S. airports are all but fruitless, because the agency says it cannot provide details without giving away information that could help terrorists.

But agency reports of violations by one airline show that agents masquerading as passengers were able to smuggle guns, hand grenades and bombs past security guards and their scanners, or send the weapons in through exits.

On July 11, 1993, for example, a female agent entered the departure terminal of Port Columbus International Airport, in Columbus, Ohio, with a handgun under her waistband, in the small of her back.

She set off a metal detector and was "selected for examination by the checkpoint security supervisor using a hand-held metal detector," according to agency documents.

The security supervisor passed the metal detector over the agent, and the alarm sounded when it was over the area of the handgun, according to the report. The wand was passed over the agent a second time, and again the alarm sounded in the area of the handgun.

But the security supervisor "failed to take any further action, and the subject with the handgun in her waistband entered the sterile area," the agency reported, free to proceed toward the boarding gate.

The documents also recount how an investigator strolled unchallenged into unguarded aircraft. In another instance, federal employees sent to ticket counters with the assignment of drawing suspicion to themselves — by paying cash for the next flight out, for example, or by refusing to show identification — provoked no special security precautions toward their bags. Others were never asked if they were carrying packages from strangers, or if they replied that they were carrying such packages, the airline failed to react appropriately.

The reports were on USAir, now known as USAirways, and were given to The New York Times in response to a request for government documents under the Freedom of Information Act. The documents, requested in November 1996, were released last week.

The Times requested the documents after the agency made a brief announcement in November 1996 that it would settle 84 charges against the airline for $450,000 but gave no details on the charges.

On hundreds of occasions, the agency said, the airline accepted packages from unknown shippers without verifying their contents.

Under the same request, the agency released documents on safety violations in April 1997. But 73 other alleged violations involved security.

The security rules under which the airlines operate are secret, and many details of the violations were blacked out before the documents were released.

Cathal Flynn, the associate administrator for civil aviation security, said that the violations summarized in the documents were characteristic of those occurring now and that USAirways' security record was about the same as all big airlines'.

But he said that these represented only the failures and that airlines pass most of the 10,000 agency tests each year.

Mr. Flynn added that the tests were getting tougher, forcing airlines to detect smaller smuggled objects, for example, and that generally the airlines were improving.

TRAVEL UPDATE

Cliff Collapses on English Coast

EASTBOURNE, England (AP) — A massive chunk of the cliff face at a renowned coastal beauty spot has crashed into the sea in what experts said could be the biggest single loss of British coastline in recent memory.

Thousands of tons of chalk tumbled 500 feet (150 meters) into the English Channel at Beachy Head on England's southeastern coast. Experts believe the collapse may have been caused when water entered the chalk rock and expanded in volume when it froze, forcing the cliff to crumble.

Coast guards have warned people to stay away from the edge of the cliff — a notorious suicide spot — as experts try to establish whether further falls could be expected.

Slick German Roads Turn Deadly

FRANKFURT (AP) — At least 13 people were killed and 247 injured in some 2,000 accidents reported late Monday and early Tuesday on snow- and ice-covered roads in Germany. Most of the deaths occurred in Saxony Anhalt state in Eastern Germany, where 5 people were killed and 70 were injured.

A bill to renew the U.S. Federal Aviation Administration may include a proposal to raise an airport ticket tax from $3 to $5, according to a Transportation Department source. *(AP)*

Correction

An article Tuesday misspelled the name of a former South African police officer who was denied amnesty in connection with the 1977 death of the anti-apartheid campaigner Steve Biko. The officer is Gideon Nieuwoudt.

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

North America
Stormy weather will spread across the eastern third of the nation. New York City and Washington, D.C. will have soaking rain that may start as ice or snow. There may be a little snow in Chicago and Detroit. The Southeast will have thunderstorms. California will remain dry.

Europe
Dry and mild across southwestern Europe, including Madrid and Rome, at the end of the week, but windy with some showers in London and Paris. Turning milder in Stockholm, but it may snow a bit first. The Black Sea region and northwestern Africa will have unsettled weather.

Asia
Wet weather will move across southeastern China and then offshore. Hong Kong will have rain at times, and rain will spread to Taiwan. Rain in Shanghai may be mixed with sleet or snow. Tokyo, Seoul and Beijing will be dry and moderately cold. Singapore will be muggy with spotty showers.

Maps, forecasts and data provided by AccuWeather, Inc. ©1998 - http://www.accuweather.com

Europe

	Today High C/F	Today Low C/F		Tomorrow High C/F	Tomorrow Low C/F	
Algarve	16/59	7/44	pc	15/59	6/46	pc
Amsterdam	4/39	3/37	sh	3/37	-1/31	sn
Athens	10/50	-1/31	c	6/43	0/32	r
Athens	15/59	10/50	pc	12/53	5/41	pc
Barcelona	12/53	6/43	pc	11/52	7/44	pc
Belgrade	7/44	1/34	sh	1/34	-5/24	c
Berlin	-1/31	-6/27	c	2/35	-5/24	sn
Brussels	3/37	3/37	sn	3/37	-1/31	sn
Bucharest	7/44	1/34	c	4/39	-1/31	r
Budapest	1/34	-2/29	c	1/34	-4/25	c
Copenhagen	-2/29	-3/27	c	2/35	-4/25	sn
Costa Del Sol	17/62	7/44	pc	17/62	7/44	pc
Dublin	8/46	2/36	sh	5/41	4/39	r
Edinburgh	6/43	-1/31	c	3/37	2/35	sn
Florence	4/39	-2/29	sl	7/44	1/34	pc
Frankfurt	-4/25	-4/25	sn	1/34	-5/22	sn
Geneva	0/32	-4/27	sn	3/37	-3/27	sf
Helsinki	-9/15	-10/16	sn	-4/25	-9/15	sn
Istanbul	12/53	8/46	c	13/55	7/44	c
Kiev	-1/31	-4/25	sl	-1/31	-3/27	sn
Las Palmas	17/62	13/55	pc	18/64	14/57	pc
Lisbon	12/53	9/46	pc	13/53	9/46	c
London	7/44	2/36	sh	4/39	3/37	sh
Madrid	9/48	1/34	pc	8/46	1/34	c
Majorca	14/57	2/37	s	13/55	4/39	pc
Milan	2/36	-5/24	pc	8/46	-4/25	pc
Moscow	-7/20	-9/15	sn	-3/27	-6/15	c
Munich	-2/29	-5/22	sn	2/35	-9/15	sn
Nice	10/50	3/37	pc	13/55	8/41	pc
Oslo	-9/15	-10/15	sf	-3/27	-6/22	sn
Paris	4/39	2/35	sn	5/41	0/32	sf
Prague	-3/27	-4/25	sn	1/34	-7/20	sn
Reykjavik	-4/25	-7/20	sn	-3/27	-7/20	sn
Riga	-2/29	-4/25	sn	-3/27	-9/15	sn
Rome	9/48	4/39	sh	11/52	3/37	pc
St. Petersburg	-7/20	-7/20	sn	-4/25	-6/15	sn
Sofia	4/39	2/35	sh	2/35	-4/25	sn
Stockholm	-5/24	-8/18	c	-4/25	-4/25	sn
Strasbourg	1/34	-2/29	sn	3/35	-3/27	sn
Tallinn	-5/24	-9/22	sn	-2/29	-7/20	sn
Tbilisi	11/52	3/27	pc	15/59	9/48	c
Vienna	2/35	-4/25	c	6/43	-3/27	pc
Vienna	1/34	-2/29	c	2/35	-4/25	sn
Warsaw	-3/29	-7/20	c	-3/27	-5/24	sn
Zurich	-1/31	-4/25	sn	2/35	-4/25	sn

Middle East

Abu Dhabi	28/82	18/64	pc	27/80	18/61	s
Beirut	18/64	12/53	pc	21/70	13/55	pc
Cairo	21/70	11/52	pc	19/66	11/52	pc
Damascus	16/61	6/43	pc	18/64	6/43	pc
Jerusalem	16/61	7/44	s	18/61	5/43	pc
Luxor	23/73	7/44	s	24/75	5/41	s
Riyadh	18/61	9/48	sh	19/66	11/52	c
Tehran	12/53	3/37	pc	12/53	5/41	pc

North America

	Today High C/F	Today Low C/F		Tomorrow High C/F	Tomorrow Low C/F	
Anchorage	0/32	-9/15	sn	-2/29	-11/13	sn
Atlanta	17/62	4/39	pc	10/50	3/37	sh
Boston	3/37	-9/15	sn	-4/25	-9/15	pc
Chicago	-9/15	-11/13	c	-3/27	-7/20	pc
Dallas	9/48	2/35	c	11/52	2/35	sn
Denver	8/46	-2/29	s	11/52	-2/29	s
Detroit	-3/18	-12/11	c	-4/25	-9/15	sl
Honolulu	30/86	24/75	pc	30/86	24/75	pc
Houston	21/70	6/43	c	16/61	6/43	sh
Los Angeles	22/71	9/48	s	24/75	9/48	pc
Miami	28/82	18/64	pc	26/79	19/66	pc
Minneapolis	-13/9	-19/-2	pc	-6/24	-9/16	pc
Montreal	-9/16	-27/-18	pc	-11/13	-14/7	s
Nassau	26/79	17/62	s	26/79	18/64	pc
New York	6/43	-7/20	sh	-2/29	-3/27	pc
Orlando	26/79	13/55	pc	24/75	14/57	c
Phoenix	23/73	8/46	s	24/75	10/50	s
San Fran.	13/55	7/44	pc	16/61	8/46	sh
Seattle	9/48	5/43	r	11/52	4/39	s
Toronto	-10/15	-16/4	pc	-2/29	-9/18	pc
Vancouver	7/44	6/43	c	11/52	-1/31	sh
Washington	9/48	-4/25	sh	-1/31	-3/27	c

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sl-snow flurries, sn-snow, f-ice, W-weather.

Asia

	Today High C/F	Today Low C/F		Tomorrow High C/F	Tomorrow Low C/F	
Almaty	4/39	-6/22	sn	-1/31	-10/16	pc
Bali	33/91	24/75	r	31/88	24/75	t
Bangkok	30/86	20/68	pc	32/89	22/71	pc
Beijing	0/32	-13/9	pc	-2/29	-9/16	s
Bombay	31/88	17/62	s	32/89	18/64	s
Calcutta	27/80	11/52	s	27/80	12/53	s
Chiang Mai	27/80	13/55	c	30/86	15/59	pc
Colombo	31/88	21/70	s	30/86	23/73	s
Hanoi	17/62	14/57	c	21/70	17/62	pc
Ho Chi Minh	33/91	24/75	c	33/91	24/75	s
Hong Kong	18/64	17/62	s	20/68	17/62	r
Islamabad	20/68	4/39	pc	21/70	4/39	s
Jakarta	31/88	26/79	t	29/84	26/79	t
Karachi	26/79	15/59	s	27/80	13/55	s
K. Lumpur	32/89	23/73	c	32/89	24/75	pc
K. Kinabalu	29/84	24/75	s	29/84	23/73	t
Manila	29/84	23/73	r	29/84	23/73	t
New Delhi	19/66	8/46	s	21/70	8/46	s
Phnom Penh	31/88	23/73	pc	31/88	24/75	c
Phuket	30/86	20/68	pc	32/89	22/71	pc
Rangoon	31/88	17/62	pc	32/89	19/66	pc
Seoul	-1/31	-11/13	s	-2/29	-9/15	pc
Shanghai	7/44	1/34	s	3/37	1/34	sn
Singapore	31/88	24/75	pc	31/88	24/75	pc
Taipei	17/62	16/61	sh	21/70	19/66	sh
Tokyo	7/44	3/37	pc	8/46	2/35	pc
Vientiane	27/80	13/55	pc	29/84	15/59	pc

Africa

Algiers	18/64	8/43	pc	18/64	7/44	pc
Cape Town	27/80	14/57	s	22/71	14/57	pc
Casablanca	18/64	9/48	s	16/61	8/46	c
Harare	22/71	15/59	s	23/73	12/53	s
Johannesburg	24/75	17/62	sh	29/84	18/61	pc
Lagos	31/88	22/71	pc	31/88	23/73	pc
Nairobi	28/79	14/57	pc	29/84	13/55	pc
Tunis	17/62	7/44	pc	15/59	7/44	s

Latin America

Buenos Aires	31/88	17/62	s	29/82	17/62	s
Caracas	26/79	15/59	pc	25/77	16/61	pc
Lima	25/77	19/66	t	23/73	19/66	s
Mexico City	23/73	6/43	s	20/68	8/41	s
Rio de Janeiro	29/82	21/70	pc	28/82	23/73	pc
Santiago	29/84	16/61	pc	29/82	11/52	pc

Oceania

Auckland	23/73	16/64	sh	21/70	20/68	r
Sydney	29/84	21/70	s	24/75	17/62	c

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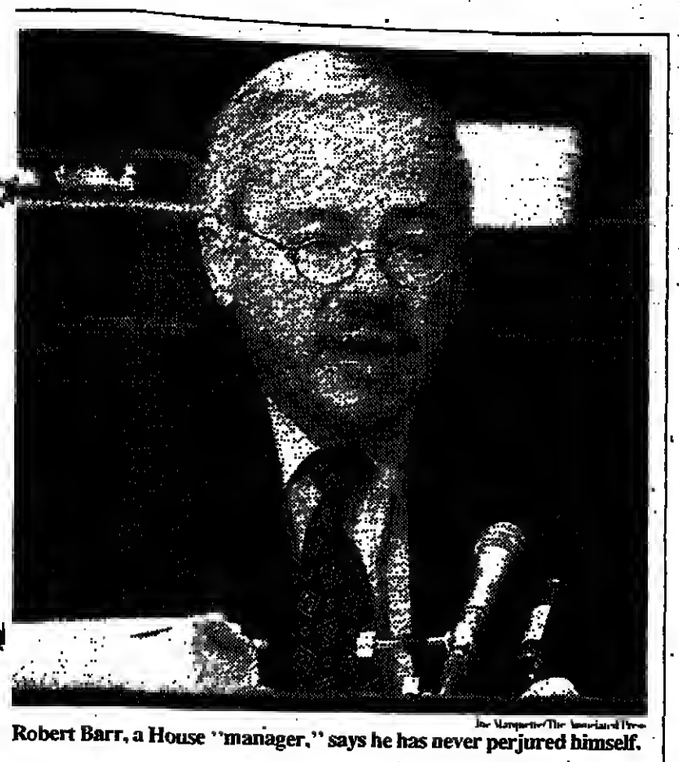
THE AMERICAS

Clinton Team Attacks 'Hyperbole' in Republicans' Opening Legal Brief



Joe Marquette/The Associated Press

Robert Barr, a House "manager," says he has never perjured himself.

By Brian Knowlton
International Herald Tribune

WASHINGTON — The White House, shedding the restraint it had shown since the Senate impeachment trial of President Bill Clinton formally opened, derided the House Republicans' first legal brief in the case on Tuesday as something resembling a "cheap mystery" full of "hyberbole and overblown rhetoric."

"The hallmark of a weak case is one where the charges are constantly shifting, as they are here," said the White House spokesman, Joe Lockhart.

He made his comments a day after the Clinton legal team submitted a 13-page document outlining the president's defense and vigorously denying that he had obstructed justice or made "perjurious, false and misleading statements to the grand jury" about his relationship with Monica Lewinsky.

It said that the charges against Mr. Clinton "do not rise to the level of 'high crimes and misdemeanors' as contemplated by the founding fathers."

In a competing memorandum, the 13 House Republicans serving as prosecutors in the Senate trial asserted that the evideoce calling for Mr. Clinton's removal from office was so overwhelming that if this president escaped conviction, then "no House of Representatives will ever be able to impeach again and no Senate will ever convict."

White House lawyers were working Tuesday to provide a rebuttal to the House memorandum by a Wednesday deadline, Mr. Lockhart said.

The pointed comments by Mr. Lockhart left some uncertainty about the approach the White House plans to take. During the House impeachment proceedings, the White House strategists used every opportunity to portray Mr. Clinton's critics, and above all the independent counsel, Kenneth Starr, as being driven by a partisan desire to punish him. That approach appeared to play well with the public.

Bnt after all 100 members of the Senate agreed Friday, in a rare display of bipartisanship, on a plan for the impeachment trial, the White House appeared loath to disrupt the new tone of comity. It decided Monday not to file an early motion to dismiss the case, but to wait instead until opening arguments had been made in the Senate.

The House prosecutors, meanwhile, were completing preparations for their opening argument to the Senate, to begin at 1 P.M. Thursday and probably to be completed Saturday. The White House legal team will then have 24 hours to make its own case, probably beginning Monday or Tuesday.

On Tuesday, in what the Senate minority leader, Senator Tom Daschle, called an "uncomfortable" coincidence, Mr. Clinton plans to deliver his State of the Union Message before a joint session of Congress.

The prosideot has kept a relatively low profile in recent days. On Monday, when he welcomed President Carlos Menem of Argentina for a state visit, Mr. Clinton decided not to hold a joint news conference afterward. Advisers indicated that at such a delicate time, Mr. Clinton did not want to face questions about the impeachment trial.

He spent part of the weekend working on a 20- to 30-page draft of the speech, and worked on it more Tuesday. Mr. Clinton's advisers view the State of the Union Message as one of his most important opportunities to persuade Americans that he is still working, undistracted, on the nation's business.

The annual address generally leads to a temporary boost in opinion poll ratings. Throughout the past year, the White House has seen Mr. Clinton's persistently high ratings as his best defense against the forces of impeachment.

A recent Washington Post-ABC News poll found that most Americans do not expect to be influenced by the Senate trial. Eighty-five percent of those polled said they had made up their minds about the case. That is good news for Mr. Clinton, because opinioo polls continue to show him enjoying job support ratings of about 65 percent. That is slightly below the peak, last month, of 73 percent in some polls, but still extraordinarily high at this point in a president's second term.

Referring to the State of the Union Message, a White House deputy chief of staff, Maria Echaveste, said: "Our objective is to show continued vitality and energy. We have a lot of work to do."

A Turning of the Tables

Publisher of Hustler Levels a Charge Of Hypocrisy at a Clinton 'Prosecutor'

By Howard Kurtz
Washington Post Service

WASHINGTON — In a bit of televised theatrics, the publisher of Hustler magazine, Larry Flynt, has accused Representative Robert Barr Jr., Republican of Georgia, of hypocrisy for refusing to answer questions in a divorce proceeding about his relationship with the woman who is now his third wife.

Mr. Flynt contrasted Mr. Barr's iovocation of a judicial privilege under Georgia law with the congressman's harsh criticism of Presideot Bill Clinton for evasive testimony under oath about his relationship with Monica Lewiosky. Mr. Barr is ooe of the 13 House "managers" who will present the case for Mr. Clinton's impeachment at the Seoate trial.

Mr. Flynt, whnse investigations of Republican politicians' personal lives have made him the focus of enormous media attention, leveled his charge on CNBC's "Rivera Live" and planned to repeat it at a Los Angeles news conference. After watching the Rivera broadcast, executives at C-SPAN, which televises congressional proceedings, canceled plans to air the news conference.

"I'm looking to expose the hypocrites," Mr. Flynt said. "I believe that Congressman Barr has takeo a moral and ethical position that is inconsistent with the position he's taken as a congressman."

Mr. Barr said that he had "never perjured" himself and that he was "deeply saddened that Larry Flynt's money has heeo used in an attempt to drive a wedge between the mother and father of two wonderful boys who deserve better than to become involved in the politics of personal destruction." He added that he would not add to these efforts "by discussing our personal lives in any way, shape or form with the news media."

In the divorce proceeding involving his second wife, Gail, Mr. Barr declined to answer such questions as "Have you been faithful to her sexually during the marriage?" and "Have you ever lived with Jerry Dobbin?" a reference to Mr. Barr's wife since 1986, Jerilyn. Mr. Barr's attorney said during the proceeding that such questoons were "irrelevant."

Mr. Flynt began his investigations io October with a full-page ad in The Washington Post, offering up to $1 million to anyone who could prove an adulterous encounter with a member of Congress or senior government official. Last month, Representative Bob Livingstoo, Republican of Louisiana, pre-empted Mr. Flynt's planoed disclosure by confirming past extramarital affairs, renouncing the House speakership and saying he would resign from Congress.

Conviction Is Imperative, House 'Managers' Say

By Ruth Marcus
Washington Post Service

WASHINGTON — As they expanded their case against President Bill Clinton, House prosecutors have warned the Senate that failure to convict the president would doom the nation to a system in which future presidents would operate free from fear of being removed from office.

But the White House, in a brief answering the charges, clashed with the prosecutors on both fundamental questions of constitutional law and the facts underlying Mr. Clinton's efforts to conceal his relationship with Monica Lewinsky, a former White House intern.

The White House asserted that the two articles of impeachment "do not permit the convicoon and removal from office of a duly elected president."

In a 105-page trial memorandum submitted Monday, the 13 House "managers" — who are prosecuting the case against Mr. Clintoo — called the Senate impeachment trial "a defining moment for the presidency as an institution."

They declared that "no House of Representatives will ever be able to impeach again and oo Senate will ever coovict" if Mr. Clinton is able to escape cooviction.

"The bar will be so high that only a coovicted felon or a traitor will need to be concerned," the managers wrote.

"If this is oot enough, what is? How far can the standard be lowered without completely compromising the credibility of the office for all time?"

Such sharp rhetoric about future impeachment cases was one of several oew wrinkles in what was otherwise a recapitulation of the case against Mr. Clinton, as outlined in the House Judiciary Committee's impeachment report last month.

For the first time, the prosecutors also cast as part of a "devastating" pattern of obstructioo of justice President Clinton's allegedly perjurious statements when he gave a deposition in the Paula Jones sexual harassment case.

And the brief invoked, as part of the obstruction-of-justice case, what it said were efforts by Mr. Clinton and White House aides to undermine Ms. Lewinsky's credibility in the days after the story broke last January.

The two filings highlighted what are certain to be contentious issues in the trial, which resumes later this week.

In voting on the articles of impeachment last month, the House of Representatives defeated an article, approved by the Judiciary Committee, accusing Mr. Clinton of lying in the Jones deposition.

The House managers have argued previously that Mr. Clinton's statement in his later grand jury testimony that he testified truthfully in the Jones case would allow them to present proof during the trial of all of his allegedly false statements during the deposition as well.

By casting his alleged deposition perjury as obstruction of justice, the managers would have another potential avenue for bringing in Mr. Clinton's deposition testimony, which even some White House aides view as problematic.

In its filing on Monday, the White House attacked the ability of the managers to raise the matter of Mr. Clinton's deposition testimony.

The White House said that Mr. Clinton "was not asked to and did not broadly restate or reaffirm his Jones deposition testimony."

Noting that the full House rejected an article accusing the president of perjury in the Jones case, the White House said, "The House managers should not be allowed to prosecute before the Senate an article of impeachment which the full House has rejected."

The House brief also argues, as part of its obstrucoon case, that "the president and his representatives orchestrated a campaign to discredit Ms. Lewinsky in order to affect adversely her credibility as a witness, and thereby attempted to obstruct jusoce both in the Jones case and the grand jury."

Representative Lindsey Graham, Republican of South Carolina, raised this line of attack during the Judiciary Committee debate on the impeachment articles, but it has not been previously cited by the House in making its obstruction case.

In fact, the White House served notice in its filing that it would attack both the obstruction-of-justice and grand jury perjury articles as overly vague and failing to give Mr. Clinton adequate notice of the exact charges he was facing.

"Without such fair warning, no one can mount the defense to which every person is entitled," the White House said.

"Fundamental due process is the right of the president to be adequately informed of the charges so that he is able to confront those charges and defend himself."

The two sides also disagreed about how the Senate should approach the evidence that is about to be laid before it.

The White House urged a microscopic view, saying a detailed examination of Mr. Clinton's precise statements at the grand jury would undermine the perjury case against him.

Similarly, it argued, a careful look at the president's actions would show that, while not admirable, they do not amount to obstruction of justice.

The House, on the other hand, stressed that the Senate should consider the entire pattern of Mr. Clinton's actions.

"It is essential to avoid considering each event in isolation, and theo treating it separately," the managers said.

"Events and words that may seem innocent or eveo exculpatory in a vacuum may well take on a sinister or even criminal connotaoon when observed in the context of the whole plot."

Away From Politics

• A man who stabbed to death two women at a Quaker meeting house in Lincoln, Nebraska is scheduled to be executed in the electric chair Thursday despite pleas by Quaker leaders that the man's life be spared. Clergy from the Religious Society of Friends joined the victims' families to ask the state's governor and other members of the Nebraska Board of Pardons to grant Randolph Reeves a last-minute clemency hearing. The three-member board unanimously voted not to commute the death sentence. *(AP)*

• Since New York City banned smoking in restaurants in 1995, restaurateurs have complained that the prohibition is bad for business. But a group of academic researchers, admittedly nonsmokers, released a series of analyses suggesting that the ban has not hurt business. The studies, which were financed by the Substance Abuse Policy Research Program showed that restaurant industry jobs rose 18 percent from 1993 to 1997, to 19,347. In the same period, sales tax receipts rose 2 percent at restaurants in the city but dropped 4 percent in the rest of the state. *(NYT)*

• Officials at Kent State University have authorized new memorials for the four students killed during a 1970 protest against the Vietnam War. The markers will be installed in four parking spaces that will be sealed off from the rest of the parking lot, said a spokesman for the college in Kent, Ohio. *(AP)*

• For the first time since octuplets were born to Nkem Chukwu in December, she got to hold one of her babies, Jioke Louis. At 2 pounds (1 kilogram), he is the most robust of the seven surviving babies, all of whom remain in critical condition, since their birth at Texas Children's Hospital. *(AP)*

POLITICAL NOTES

White House Tango

WASHINGTON — Inspired as he watched the actor Robert Duvall effortlessly glide across the floor of the White House's East Room, President Bill Clinton gave up his seat and showed the Argentine delegation that he can tango with the best of them.

The president and Hillary Rodham Clinton capped a state dinner tribute to President Carlos Saul Menem of Argentina on Monday night by indulging in a few rounds of the dance.

Mr. Menem escorted Mrs. Clinton to the dance floor, while Mr. Clinton perfected his tango technique with Amanda de Fernandez, the wife of Argentina's economics minister.

Mr. Duvall, who became smitten with the dance after he saw it performed 12 years ago and has honed his abilities in more than 15 visits to Buenos Aires, dazzled the 170 guests who watched him glide across the makeshift dance floor. "I'll never look at you the same way again, Robert!" exclaimed the president after watching Mr. Duvall with his partner, Luciana Pedraza.

The festive mood, and the focus on U.S.-Argentine relations, managed to divert attention from the impeachment trial before the Senate. The guest list included 7 of the 100 senators standing in judgment of the president, but several said they could put the question aside for the evening.

Guests dined on lemon-herb roasted chicken, grilled vegetable risotto, tomato basil broth, seared striped bass, a cassoulet of crab, corn and fava beans, sauteed morels and sweet potato, with a salad of kale, endive and spinach.

For dessert, it was back to Argentina: frozen *dulce de leche*, a confection of caramel and baked pineapple ringed with fresh coconut and red currant. Topping the dessert was a couple made of chocolate, dancing the tango beneath a palm tree. *(AP)*

Greg Gibson/The Associated Press

President Clinton tangoing with Amanda de Fernandez, wife of the Argentine economics minister, at a state dinner at the White House.

Typo in the Senate

JANESVILLE, Wisconsin — Pens used by U.S. senators to pledge impartial justice in President Clinton's impeachment trial contained a misprint: "Untied States Senator."

The senators got to keep the pens, black and silver Parker Vectors, that they signed with last Thursday.

"The Senate is like any good customer of ours and we will reprint the order and make things right," said Michele Szynal, a spokeswoman for The Gillette Co.'s Stationery Products Group in Janesville. *(AP)*

Quote/Unquote

Representative Robert Barr Jr., Republican of Georgia and one of the 13 House "managers" presenting the impeachment case in the Senate, denying allegations that he lied about an affair during divorce proceedings: "I have steadfastly worked throughout the impeachment debate to focus attention on substantive issues like perjury and obstruction of justice, and away from lurid personal allegations." *(AP)*

Growth in Medicare Spending Slows to a Trickle

By Robert Pear
New York Times Service

WASHINGTON — The growth of Medicare virtually stopped last year as spending in the giant health insurance program for the elderly rose just 1.5 percent, the smallest increase since the beginning of the program in 1965, new government data show.

The slower rate of growth will probably add a few years to the life of the Medicare trust fund that pays hospital bills for the elderly.

It may also temporarily relax the pressure on Congress to redesign the program. But officials said it did not fundamentally alter the long-term outlook for Medicare, which will incur immense oew costs as the baby-boom generation born just after World War II becomes eligible for it after 2010.

Analysts offer several explanations for the oear-halt in growth. For one, the U.S. Congress inteotionally curbed payments to hospitals, home health agencies and other health care providers in the Balanced Budget Act of 1997, and the savings so far have exceeded expectations.

In addioon, health maintenance organizations, saying their costs are rising faster than the payments they receive, have dropped more than 400,000 Medicare patients from their rolls.

Federal efforts to curb fraud and abuse also appear to have slowed the growth of Medicare. Health-care executives said the federal investigation of Columbia/HCA Healthcare Corp. had sent a chill through the hospital industry and encouraged greater compliance by health-care providers of all types, including doctors, who fear prosecution for submitting false claims.

For the first time, Medicare spending last year grew more slowly than the federal budget as a whole, which increased 3 percent.

In the past decade, Medicare spending rose an average of $12.8 billion, or about 10 percent, each year. But in 1998, it grew just $3.1 billion, to a total of $213.6 billion, according to recent statements of federal spending from the Treasury Department.

The oumber of Medicare beneficiaries grew last year by slightly more than 1 percent, to 39 million, so the average increase in Medicare spending for each beneficiary was close to zero.

ASIA/PACIFIC

Cambodian Refugees Return Under UN Plan

Hundreds Cross the Border From Thailand

The Associated Press

PHNOM PENH — After living for decades under fanatical Khmer Rouge leaders, hundreds of refugees crossed from Thailand into Cambodia on Tuesday in a repatriation effort that will return them to homes they have not seen since the 1970s.

The 398 refugees from Phu Noi camp in Thailand's Si Sa Ket Province are the first to seize an offer from the United Nations to be resettled anywhere in Cambodia they choose.

They fled to Thailand in May when Khmer Rouge forces collapsed and their stronghold at Anlong Veng fell to government troops.

Before that, they had lived under Khmer Rouge control since 1975, when the radical Maoists seized control of the country and began a reign of terror under which more than a million people were killed.

When the Khmer Rouge were ousted by a Vietnamese invasion in 1979, they fled to northwestern Cambodia and ended up in isolated hamlets controlled by guerrillas waging civil war against the government.

The grip the guerrillas maintained on the refugees' lives began to loosen last year as mutinies and defections slowly eroded the strength of the Khmer Rouge forces.

Not surprisingly, the refugees grabbed the opportunity to escape the mine-ridden jungles along Cambodia's northern border.

"They have exercised their choice, and their choice is to go someplace other than Anlong Veng," said Nellie Chan, a representative of the UN High Commissioner for Refugees.

Anlong Veng erupted in rebellion in March when several guerrilla commanders turned against their chief, Ta Mok, known as "The Butcher." He was further isolated last month when his remaining generals surrendered in a defection seen as the end of the Khmer Rouge army.

That cleared the way for the repatriation of about 14,000 Cambodians at Phu Noi. But the refugee commission is moving slowly because of reports that Khmer Rouge leaders are coercing people to move back to Anlong Veng.

"What we are speculating is that they are likely trying to hold onto their power," Miss Chan said. "In order to have power, you have to have a base, you have to have people."

The first returning refugees entered Cambodia at Poipet, 344 kilometers (215 miles) northwest of Phnom Penh, and were to spend the night at a UN repatriation center inside the country, Miss Chan said.

To date, 10,079 Cambodian refugees have been repatriated from Thailand since October 1997.

■ Measured Support for Trial

The government said Tuesday it supported a trial for Khmer Rouge leaders but highlighted concerns over the country's fragile peace, Agence France-Presse reported.

Officials also argued that foreign supporters of the guerrillas during their rule in the 1970s stood to be embarrassed by courtroom revelations that would emerge at any trial.

"Justice should be done but civil war should not be started, and countries who had backed relations with them should not be exposed," a Foreign Ministry spokesman, Hor Sothouo, said.

Deputy Prime Minister Sar Kheng echoed the sentiments, highlighting the lack of political will here to see through a trial. "We need peace and need to put an end to war in our country," said Sar Kheng, who added that Cambodia would "lose everything" if thrown back into conflict.

Close aides to the Khmer Rouge ideologue Nuon Chea and the nominal guerrilla leader Khieu Samphan, who defected to the government on Dec. 25, have warned of conflict if they are called to answer for their rules in the Pol Pot regime.

Thai troops watching refugees at Phu Noi border camp board buses bound for Cambodia on Tuesday.

Australia Shifts Political Goals For East Timor

Compiled by Our Staff From Dispatches

CANBERRA — The Australian government has changed policy and now supports self-determination for the Indonesian territory of East Timor, senior ministers said Tuesday.

The government, which previously supported only autonomy for the territory, said it backed a political settlement that could put East Timor on the path to long-term independence.

Australia is the only Western country to recognize Indonesian sovereignty over East Timor, and its policy shift prompted Jakarta to deny that independence was on the agenda.

"The Indonesian government has no plans to talk about that question," State Secretary Akbar Tandjung said.

Earlier, Foreign Minister Alexander Downer of Australia said that his country still considered independence a "second-best outcome," but that it now supported a deal offering complete self-determination after a period of autonomy.

"Our approach to East Timor is, I suppose, somewhat akin to the way the Matignon approach worked in New Caledonia," he said, citing the pact that sets the South Pacific territory on the road to independence from France after 15 years of self-rule.

"First of all you would have to put in place an autonomy package," Mr. Downer said at a news conference. "The people of East Timor have an opportunity to see how sincere autonomy really was, and in the end give them, some years down the track, the opportunity to pass judgment on whether they wanted to continue with that arrangement."

An East Timorese independence campaigner, Jose Ramos Horta, welcomed Australia's policy shift. "I would say we are on the same wavelength for the first time in many years," he said.

Indonesia invaded East Timor in 1975 after the departure of its Portuguese colonizers and annexed it the next year in a move never recognized by the United Nations. *(AP, Reuters)*

U.S. Ties North Korea Aid to Arms Inspections

The Associated Press

YOKOTA AIR BASE, Japan — Defense Secretary William Cohen warned North Korea on Tuesday that it must allow inspections of a suspected nuclear weapons site or risk losing financial aid for a nuclear power project.

Mr. Cohen said the continued refusal to allow an inspection of the underground site would make it hard to persuade taxpayers in the United States, Japan and South Korea to help finance nuclear reactors in North Korea.

Those three countries agreed in 1994 to build two light-water nuclear reactors after North Korea said it would freeze and eventually dismantle its nuclear weapons program.

Mr. Cohen scoffed at North Korea's demand for $300 million in exchange for the right to inspect the site, which is north of Pyongyang, North Korea's capital. "It's a pretty expensive peek into an underground facility," he said.

Mr. Cohen, who arrived in Japan on Monday for a four-day visit, made the comments while touring the Yokota Air Base on the outskirts of Tokyo. He later flew to another U.S. base in northern Japan and was to begin talks with Japanese government leaders Wednesday.

He was to pay a courtesy call on Prime Minister Keizo Obuchi before flying to South Korea on Thursday.

■ Sorting Out the Spratlys

President Joseph Estrada of the Philippines said Tuesday that his government would call for a meeting among nations with rival claims to the Spratly Islands in an effort to reduce tensions in the South China Sea, The Associated Press reported from Manila.

The Philippines' defense secretary, Orlando Mercado, said Mr. Cohen recently suggested such a meeting.

The Spratlys, which straddle vital sea lanes in the South China Sea, are claimed in whole or in part by the Philippines, China, Vietnam, Taiwan, Malaysia and Brunei.

BRIEFLY

Sihanouk Hints at Amnesty

PHNOM PENH — King Norodom Sihanouk said Tuesday he would probably grant amnesty to two human-rights workers if they were convicted of inciting violence in riots against toxic-waste dumping.

Kim Sen and Meas Minear, investigators from the rights group Licadho, were monitoring a demonstration last month against a shipment of mercury-laced waste from Taiwan dumped near the seaport of Sihanoukville.

The protest turned into a riot, and protesters ransacked a customs inspection office and the deputy governor's home. The rights workers were arrested the next day for allegedly leading the riots. *(AP)*

India's Catholics Accuse Hindus

NEW DELHI — The recent attacks on Christians in India are the work of a small minority of high-caste Hindu radicals who are afraid the church's work among the poor will erode their status, a spokesman for the Roman Catholic Church said Tuesday.

Christians who have been accused of converting Hindus by force or trickery went on the offensive in what has become an increasingly bitter debate in India.

Father Duminic Emmanuel, spokesman for the archdiocese of Delhi, said, "One caste has dominated and not allowed people to stand up and ask for equality." He said missionaries had made people aware of their dignity and encouraged them to demand equal treatment.

Brahmins are at the top of a Hindu hierarchy that divides society into four castes and a lower group outside the caste system once known as the untouchables but now commonly called Dalits, or the oppressed. Brahmins, who are only 2 percent of Hindus, dominate all spheres of life; Dalits are among the poorest Indians. *(AP)*

Prosecutors Cite Suharto Wrongs

JAKARTA — Indonesian prosecutors have found evidence that former President Suharto may have violated the law during his 32-year rule but say they are not ready to label him a suspect.

Soehandoyo, a spokesman for the attorney general's office, said Tuesday that prosecutors had found evidence of some wrongdoing in setting up the country's "national car" project and in the use of funds from some charities.

They still need to question more witnesses, he said, without elaborating. President B. J. Habibie, who succeeded Suharto last May, has been under pressure to investigate his longtime mentor over his alleged abuse of power, especially for enriching his family and associates.

Under Indonesian law, people are named as suspects after preliminary questioning but before formal charges are filed. *(AP)*

Crackdown In China May Grow, U.S. Fears

By John Mintz and Barton Gellman
Washington Post Service

WASHINGTON — As U.S. and Chinese officials held their first meeting exclusively devoted to human rights since 1995, Clinton administration officials have expressed fears that the Chinese government may imprison hundreds more activists to prevent the formation of the country's first opposition political party.

In sessions here Monday and Tuesday, the assistant secretary of state for human rights, Harold Koh, was expected to echo American protests of the recent crackdown by Beijing. At the same time, Washington is signaling that it is committed to continuing cooperation with China in other areas.

Secretary of State Madeleine Albright spoke of U.S. concerns as the U.S. and Chinese delegations met Tuesday for the second day of the human rights dialogue.

"Assistant Secretary Koh is laying out our views on the recent events and the fact that we are very disturbed by what is going on," she said at a news conference with Foreign Minister Guido Di Tella of Argentina.

"We believe that it is very important for a country such as China, which has great responsibilities and is a hugely important country, to be able to benefit by the free participation of all its people," she added.

In recent weeks Beijing has imprisoned six dissidents for attempting to organize the China Democracy Party. U.S. officials have responded to the arrests with a stream of public denunciations and diplomatic demarches. A demarche is a strongly worded diplomatic protest, delivered by hand to a foreign government.

But senior U.S. government officials also have said privately that they are not surprised that Chinese activists' frontal assault on the center of Beijing's political power has produced a crackdown. For months Beijing officials tried to persuade the dissidents to back off by harassing and warning them before resorting to arrests, U.S. officials said.

Clinton administration officials say the arrests could adversely affect Prime Minister Zhu Rongji's planned visit to Washington in the spring, but would not cause its cancellation.

"I would hope that Zhu would come," said the White House national security adviser, Samuel Berger.

"It's even more important when the pendulum on human rights appears to be swinging back for us to talk face to face with Zhu and other leaders," Mr. Berger said. "They have to understand there is an international standard of acceptable human rights practice, and that they never can be fully accepted as a great country until they meet that standard."

The last time representatives from the United States and China met for such a human rights gathering was four years ago. During a summit meeting last summer, President Bill Clinton and President Jiang Zemin agreed to resume the sessions, and this week's gathering led by Mr. Koh and the assistant foreign minister, Wang Guangya, is the result.

U.S. officials were quick to condemn the recent arrests, which resulted in stiffer jail terms for dissidents than U.S. officials had anticipated, with sentences of up to 13 years in prisons or labor camps.

Jim Sasser, U.S. ambassador in Beijing, delivered a demarche on Dec. 9 to Qian Qichen, former foreign minister and now vice premier. Mr. Sasser said that continued political repression could "negatively affect preparations for and ultimately the success of Prime Minister Zhu Rongji's planned visit."

On Dec. 23 a demarche by the U.S. charge d'affaires William McCahill and a European Union representative said the West is "deeply concerned" about the jail sentences, and that China "lacked substantive procedural safeguards" to protect citizens' rights.

But in interviews over the past week, U.S. officials said they doubted the crackdown would alter the U.S.-China relationship.

"There was never any question that the Chinese government would tolerate the formation of an opposition party," one administration official said. American officials admire the courage of the Chinese dissidents, but even many Chinese democrats ask "whether that was a wise course," the official added.

Nearly 10 years after Chinese troops killed pro-democracy activists who had demonstrated in Beijing's Tiananmen Square, Chinese officials believe that "faced with opposition, they have to move swiftly and firmly before any momentum develops," the official said.

INTERNATIONAL

Nigeria Vote Marks Step Toward Civilian Rule

By James Rupert
Washington Post Service

LAGOS — A broad coalition of prominent centrist politicians has consolidated its bid to lead Nigeria's first civilian government in 15 years.

The weekend vote for governors and state legislators was the second step, after local elections held last month, toward transferring political power from a ruling military council to an elected government in Africa's most populous country.

Analysts say the two rounds of clean voting established an important precedent for next month's scheduled elections of a national legislature and president.

Nigeria's promised transition to civilian rule, which arose from the sudden death six months ago of the country's military dictator, General Sani Abacha, has been celebrated by African democracy advocates as an influential model for many smaller authoritarian states that surround it. General Abacha's successor, General Abdulsalami Abubakar, has won broad praise for sticking to his vow to hand back power, after many earlier ruling generals reneged on similar promises.

But the vote Saturday also carried a reminder that the scheduled installation of a civilian government in May will carry no guarantee of improved political stability here.

The vote was canceled in Bayelsa state, Nigeria's richest oil-producing center, at the southern tip of the Niger River delta. There, youths of the Ijaw ethnic group battled police and soldiers last week over their demand that the impoverished Ijaws share more in political power and in the oil wealth pumped from beneath their swamplands. Of 30 state governors' elections whose results were declared Monday, the People's Democratic Party won 19 outright. By taking just over 50 percent of gubernatorial votes cast overall, the party continued its domination of the emerging political landscape.

The People's Democratic Party is a broad alliance of career politicians, including many who publicly opposed General Abacha last year as he sought to stage elections designed to transform him from military ruler to a civilian president. Its presidential candidate is likely to be General Olusegun Obasanjo, a former military ruler who, in 1979, handed power voluntarily to an elected government.

The runner-up in the voting — as it was in local elections last month — was the All People's Party, which includes some civilian leaders who supported General Abacha. The party won eight governorships and about 36 percent of the total vote. A third party, the Alliance for Democracy, swept the six state races in its stronghold, the ethnic Yoruba-populated Southwest, taking 13 percent of the overall vote.

The three parties are the only ones permitted to enter state- and national-level elections by virtue of having shown the broadest nationwide bases in local elections in December. Such provisions, which forced small, regional parties to ally with larger ones or quit the race, have been used for years in Nigeria in an effort to prevent tribal politics in this country of more than 200 ethnic groups.

Observers from the Washington-based International Republican Institute and the London-based Commonwealth of Nations were among those who praised the technical conduct of the voting.

"There was an evident improvement in the procedure of electoral officials compared to December's elections; things were much more orderly, but I think there has to be some concern over turnout," said K. Srinavasn, head of the Commonwealth monitoring group. He said participation appeared to have dipped below the 46 percent of the voting last month.

The voting Saturday was calmer than last month's. One person was reported killed, as opposed to the 10 who died in various clashes in the first round of balloting. The results Monday strengthened evidence that General Obasanjo, while strong nationally, is weak in his home base. It was the Alliance for Democracy rather than General Obasanjo's People's Democratic Party that won the government of his home state, Ogun.

A month ago, General Obasanjo also failed to deliver the local government in Ogun to his party. General Obasanjo is a Yoruba, but is widely opposed from within his ethnic group.

Sierra Leone Sends Rebel Leader to Talks

Compiled by Our Staff From Dispatches

ABIDJAN, Ivory Coast — Sierra Leone's detained rebel leader, Foday Sankoh, was flown Tuesday to neighboring Guinea Tuesday for talks about ending the fighting in Freetown, diplomats said.

"He is here in Conakry and is in negotiations," Sierra Leone's ambassador to Guinea, Ali Kamara, said in Abidjan.

Mr. Kamara said that Mr. Sankoh, the leader of the rebel Revolutionary United Front, was taken from government custody in Freetown and flown to the Guinean capital along with West African mediators.

The ambassador said Mr. Sankoh, whose rebel forces captured eastern and central areas of Freetown on Jan. 6, was in talks in Conakry with the senior UN official on Sierra Leone, Francis Okelo, and the foreign ministers of Guinea, Sierra Leone, Togo and Ivory Coast. Mr. Sankoh has been detained for the past two years by the government of President Ahmad Tejan Kabbah and its military backers, the Nigerian-led West African force called Ecomog.

Mr. Sankoh's field commanders have insisted on seeing him before discussing a cease-fire.

Meanwhile, rebels looted and burned parts of Freetown, Sierra Leone's capital, Tuesday as they were chased from the city by Ecomog troops, according to several sources.

Much of the city lies in ruins less than a week after rebels of the Revolutionary United Front invaded.

The office of the United Nations High Commissioner for Refugees agency has warned of a "humanitarian catastrophe" in Freetown, where food stocks are running low and electricity, water and phone lines have been cut off.

"The situation is quite terrifying for civilians," said Kris Janowski, a spokesman for the UN agency.

By Tuesday morning, little fighting was reported, as Ecomog, reinforced by hundreds of new troops in recent days, pushed further into eastern areas. Groups of rebels and isolated gunmen still roamed the streets, however, in areas officially controlled by Ecomog, the sources said.

According to a helicopter pilot ferrying Nigerian troops between Lungi International Airport and Freetown, much of the city had gone up in flames, including West Africa's oldest institution of higher education, Fourah Bay College. Also set afire were the Connaught Hospital, the central telephone exchange, dockyard warehouses and countless homes.

With the city's water supply cut off, firefighters were unable to intervene. *(Reuters, AFP)*

BRIEFLY

UN May Add Sanctions Against Angola Rebels

UNITED NATIONS, New York — The UN Security Council has prepared a draft resolution warning Angolan rebels it may impose telecommunications sanctions on them following the downing of two UN-chartered planes over rebel-held territory.

The resolution also expresses the council's willingness to reinforce other sanctions, which include a ban on diamond exports by the rebels of the National Union for the Total Independence of Angola, or UNITA.

The resolution condemns the downing of the aircraft and demands that the UNITA leader, Jonas Savimbi, cooperate with a search and rescue mission and investigation. *(AP)*

Cape Town Protester Dies

CAPE TOWN — Muslim groups vowed Tuesday to avenge the death of a protester who died after being hit by a rubber bullet fired by police at an anti-British demonstration.

"We want nothing less than the head of the one who instructed police to fire at the crowd on that day when Yusuf died," the leader of the vigilante group People against Gangsterism and Drugs, Abdusalaam Ebrahim, told mourners at a rally before Yusuf Jacobs's funeral.

Another protester and a journalist were also hit by rubber bullets at the demonstration last Friday during a visit by Prime Minister Tony Blair of Britain. *(AFP)*

U.S. Regrets Cuba Rebuff

WASHINGTON — The State Department has expressed disappointment over the cool response of Cuban officials to U.S. initiatives designed to increase cash flows to ordinary Cubans and expand people to people contact.

"It is hard not to be disappointed by the initial public response the Cuban officials have made that could make it less likely that the benefits of this arrangement to the Cuban people would be made possible," the department spokesman, James Rubin, said Monday. *(AP)*

More Japan Youths Breaking the Law

The Associated Press

TOKYO — Juvenile crime in Japan surged by 14 percent in 1997 from the previous year, a government report released Tuesday said.

The report attributed the rise to the failure of adults to provide children with appropriate guidance. It called on families and communities to play a greater role in bringing up children. In 1997, 152,825 youngsters between the ages of 14 and 19 were arrested on criminal charges. While theft was the most common crime, the report also noted a growing trend of violent crime.

EUROPE

On the Outside Looking In, Greece Is Gloomy Over 'Euroland'

By Marcia Kurop
Special to the Herald Tribune

ATHENS — For a country that has long bristled at its status as the political and economic black sheep of the European Union — not to mention a population that hates to miss any good celebration — Greece's failure to meet criteria needed for its participation in the inauguration of the euro has inspired a nationwide mood of introspection.

Throughout the country, from newspapers headlines to shop gossip, from parliamentary ministers to the man on the street, weighty melancholy competes with missionary zeal as the euro's launch on Jan. 1 tests Greece's ability to keep up with the rest of the EU and share its identity.

"Why should anyone rejoice at Greece's elimination from Europe?" demanded Estia, a large-circulation newspaper, the day of the currency's introduction in 11 countries.

The owner of a small bakery in the northern port city of Salonika shuffled outside the morning of the euro's introduction in Europe, crossed out the drachma price of a piece of bread — little more than a few pennies — and listed instead his self-calculated equivalent in euros: ".00005." The store has become celebrated as the first in Greece to "list" prices in euros, hoping to catch a little curious business.

"We Greeks will try to act aloof for some time to come about this," said Pericles Manotis, owner of several small hardware and appliance shops in Athens's fashionable Kolonaki district. He pointed out that oo stores were listing prices in euros. "We've always had a complex about our modern place in Europe, so the problem is a psychological one that is very strong."

But 1999 for Greece will mean little time for psychological ruminations, requiring instead swift, not to mention severe, economic action to qualify for the euro's second round in 2001.

Moody's, the investment rating concern, recently warned that Greece could fail to qualify for the second round because of delays in selling state industries, reforming labor laws and rolling back what are considered excessive government economic controls.

Still, Greece has managed to pave a smoother road to "Euroland" in the last year, removing a few key obstacles. The country enjoyed spectacular economic performance in 1998, including a 60 percent rise in the Athens stock exchange, steady interest rates and a drop in inflation from 6 percent in 1997 to 4.5 percent.

Perhaps most impressively, the government deficit is projected at 1.9 percent for 1999 — well below the EU standard of 3 percent. A strong banking sector and dynamic telecommunications industry drove the economy, taking advantage of newly liberalized privatization laws.

This headway has earned the country praise from such high-profile influences as Morgan Stanley, which called Greece one of the best-performing emerging markets of 1998.

And for the embattled government of Prime Minister Costas Simitis, the improvements are being displayed to a Greek public restless with tough, but seemingly inconsequential, austerity measures.

"Participation in the euro zone will be the culmination of a long and painful effort by the Greek people for the creation of prosperity and social justice," said Finance Minister Yiannos Papantoniou.

"A battle has been won, but the war is still continuing." Still, not everyone is convinced that Greece has solved its fundamental problems enough to afford such bravado. What many here fear about the euro is not so much the potential economic impact as a renewed perception in the outside world that, left on the margins, Greece is simply not a safe investment bet.

"The Greek economy still needs to take off," said Aris Spiliotopolous, spokesman for the main government opposition party, New Democracy. "What we need to be thinking about is the reason why we are the only country that contrary to our desire failed to be part of European unification on Jan. 1."

For now, only Greek banks, not businesses, will list euro exchanges — pinned at 353.1 drachmas, with a 15 percent fluctuation allowance. No commercial transactions will be accepted in euros.

Germany Hopes to Curb Unanimous EU Voting

Reuters

STRASBOURG, France — Foreign Minister Joschka Fischer of Germany, risking an uproar in Britain, said Tuesday that Germany favored killing off the requirement for unanimous voting in most areas of European Union decision-making.

Outlining to the European Parliament his country's plans for its six-month EU presidency, Mr. Fischer predicted that the EU would decide at a June summit meeting in Cologne to carry out its internal overhaul in 2001.

He said that Bonn would push to keep unanimous voting only for changes to EU treaties.

"The key question here is the Union's readiness to accept majority decisions in as many areas as possible," he said, adding that the new German government "advocates limiting the need for unanimity in the EU in the longer term to questions of fundamental importance, such as treaty amendments."

Such a move would mean that decisions in such sensitive areas as taxation would be taken by weighted majority voting instead of unanimously.

A suggestion late last year by the German finance minister, Oskar Lafontaine, that the EU should move toward harmonizing minimum tax levels caused an uproar in the British media.

Asked at a news conference whether he was trying to make life difficult for Prime Minister Tony Blair, who has tried to adopt a more EU-friendly approach than the previous Conservative administration, Mr. Fischer said, "It's not my intention to make difficulties for anyone in the EU."

But he told German television reporters afterward, "The problem is a British one and not a European one."

Mr. Fischer also told the European Parliament that Britain's EU budget rebate, about $3 billion a year, would have to be looked at when seeking ways to prevent the EU's poorer members from losing out in a wide-ranging review of EU financing.

Britain insists that the annual rebate, which was won in the mid-1980s by Prime Minister Margaret Thatcher, should stay.

Mr. Fischer added that Germany intended to complete negotiations during its EU presidency on the financing review by the end of March.

The EU financing reforms, and longer term institutional overhaul, are needed to prepare the bloc for membership by up to a dozen formerly Communist countries.

Damien Meyer/Agence France-Presse

Foreign Minister Joschka Fischer floated his idea Tuesday at the European Parliament in Strasbourg.

■ **Delors Warns Against Censure**

A former president of the European Commission, Jacques Delors of France, on Tuesday described allegations of fraud and nepotism within the commission as a "dangerously overblown" affair, Agence France-Presse reported from Paris.

The European Parliament is to hold a censure vote Thursday on the issue. If adopted, it would force all 20 commissioo members to resign.

Speaking on Europe-1 radio, Mr. Delors said, "This affair seems to me to be dangerously overblowo and worsened by the settling of accounts either in certain countries or in the European Parliament."

Mr. Delors, who headed the European Commission from 1985 to 1995, called for a settlement between the European Parliament and the commission to avoid resignations and scandal at a time when the EU faces important business.

Guerrillas Vow To Release 8 Yugoslav Troops

PRISTINA, Yugoslavia — International mediators have won a promise from guerrillas of the ethnic Albanian Kosovo Liberation Army to free eight captured Yugoslav soldiers, the Organizatioo for Security and Cooperation in Europe announced Tuesday.

The organization chairman, Knut Vollebaek, said at a press confereoce in Pristina, the regional capital: "We have now reached agreement with the KLA on an early release of the detainees."

He said he could not immediately disclose further details, however.

International monitors, concerned that the detentioo of the Yugoslav soldiers could lead to the renewal of all-oot war in the region, have been working round the clock for their release. About 2,000 people have been died in the Kosovo conflict in the last year.

Asked whether the talks were over, Mr. Vollebaek replied, "Yes." He did not spell out the conditions under which the captives would be released.

The Kosovo Liberation Army had wanted to swap the soldiers for some of its guerrillas being held by Belgrade.

The Yugoslav Army had demanded that the soldiers be released unconditionally and had said that it was prepared to use force if mediation failed.

Mr. Volleback, the Norwegian foreign minister, arrived in Pristina on Tuesday with a promise from the Yugoslav president, Slobodan Milosevic, that he would extend the deadline for the release of the soldiers before using force.

Yugoslav Army units have been moved into the region around Stari Trg, 12 kilometers (8 miles) north of Kosovska Mitrovica, where the soldiers were taken hostage by the Kosovo Liberation Army.

The Organization for Security and Cooperation chairman, who met with Mr. Milosevic on Monday, said: "What I have said all the time is that there should be an unconditional release." He added: "I said that we need some more time. He said that he would give me that but that the time was short. There is continuous contact, we are hopeful that there will be a positive outcome."

The rebels' representative in Switzerland, Bardhy Mahmuti, said Monday that the rebels would release some of the soldiers as a gesture, but that he expected the Serbian authorities to release some ethnic Albanian prisoners in return.

Mr. Vollebaek was also expected to hold talks with ethnic Albanian leaders and Serbs to try to safeguard the fragile cease-fire. *(Reuters, AP)*

Sergey Chirkov/Agence France-Presse

Russia's new MiG fighter, featuring Stealth technology, on display at an air base near Moscow on Tuesday.

Russia Rolls Out Long-Awaited New MiG Fighter

The Associated Press

ZHUKOVSKY, Russia — A new MiG fighter jet, conceived as a Russian response to the latest U.S. combat aircraft, was unveiled with mucb pomp Tuesday but has yet to carry out its maiden flight.

The MFI — the Russian acronym for the multifunctional fighter — has been kept under wraps since development began in the late 1980s. The government has abruptly canceled several scbeduled pnblic displays of the new jet.

Known as "Project 1.42" in the West, the MFI finally rolled onto the snow-covered airstrip at the Russian air force test center in Zhukovsky near Moscow in a ceremony attended by Defense Minister Igor Sergeyev and dozens of foreign military attachés and reporters.

The MAPO-MiG company that produces MiG aircraft says the new fighter will be able to outperform the most advanced U.S. fighter, the F-22 Raptor. Like the U.S. fighter, the MFI has a "thrust vectoring" system that allows the plane to make sharper turns than current fighters. It also has similar stealth capabilities, relying on composite materials and a special shape to avoid detection by radar.

The MFI's development amounted to a "revolution in the Russian Air Force," Mr. Sergeyev said at a news conference. The aircraft is expected to take to the air for the first time in February, its chief designer, Mikhail Korzhuyev, said.

The public display appeared to be part of MAPO-MiG's effort to win government funds needed to finance the tests and the model's further development.

The cash-starved Russian military lacks the means to maintain its current fleet of aircraft or properly train pilots, and the situation appears likely to further deteriorate because of the country's economic crisis.

BRIEFLY

Russia and France Address Key Issues

MOSCOW — Prime Minister Yevgeni Primakov discussed the Russian economic crisis Tuesday with the French foreign minister and also addressed ways Moscow and Paris could cooperate on such key international issues as Iraq.

Russia and France have been critical of the recent U.S. and British confrontations with Iraq, urging a peaceful resolution. "Our countries have very close positions on international issues," Mr. Primakov said before the talks with Foreign Minister Hubert Vedrine.

On Russia's economic woes, Mr. Primakov told Mr. Vedrine that swift legislative approval of a new government budget and the resumption of loans by the International Monetary Fund were vital steps, Russian officials said. *(AP)*

U.S. Fugitive's Fate Is Put Off 5 Weeks

BORDEAUX — A French court on Tuesday postponed its final ruling on a U.S. request for the extradition of an American fugitive to stand trial for the 1977 murder of his girlfriend.

A Pennsylvania court has sentenced Ira Einhorn, 57, in absentia to life in prison for the murder of Helen (Holly) Maddux. He denies the charge. A prominent anti-war campaigner and New Age activist in the 1960s, Mr. Einhorn fled the United States shortly before his trial. After 16 years on the run, he was arrested at his French home in June 1997.

Judge Claude Arrighy gave no reason for the postponement and said a new hearing would be held Feb. 18. *(AP)*

Ambassadors Plan Return to Minsk

MINSK, Belarus — Ambassadors of five European Union nations plan to return to Belarus on Sunday, seven months after leaving in a dispute over plumbing repairs in their residences, officials said Tuesday.

The ambassadors of France, Germany, Britain, Greece and Italy will fly from Frankfurt, said Vasili Vishnyakov, a spokesman for the German Embassy. Neither he nor other nations' diplomats would say where the ambassadors will stay. *(AP)*

ALLIES: *Germany Reaffirms Close Ties to France With an Exception – Policy on U.S.*

Continued from Page 1

organizing its finances. After a weekend in which Mr. Schroeder met privately in Germany with Prime Minister Lionel Jospin, the French foreign minister, Hubert Vedrine, said that if he could expect a crisis in the EU about the reapportionment of its costs and allotments, there would be noee between France and Germany.

Indeed, the "mystical" character left the relationship years ago, he said, but the notion of "the motor of Europe" — Germany and France as a combined force activating the EU — still had reality.

Talking privately about the evolution of ties between the two countries, another leading French politician, with strong European ties, said of Mr. Schroeder: "He now knows that there are no European problems he can resolve without French-German cooperation. This is not a spontaneous matter with him and it engages him less as a result. But it is strong realization for him."

What this was likely to mean in the short term was some kind of mutual understanding that Mr. Schroeder had to make good in some visible measure on his commitment to German public opinioo to reduce the country's paymeots to the European Union.

Conversely, it was accepted that France could oot allow a reworking of community finances to disembowel the system of agricultural subsidies that has been a constant in its relations with Europe for decades. With this basis, a way was possible, through an extended period of teosions, to the EU's promised eastward enlargement.

More cooperation betweeo the two governments was seen likely oo two themes of the left: the harmonization of taxes among the euro zone countries and efforts to coordinate salary policies so to protect industries with higher wage costs in France and Germany from so-called unfair competition from lower wage regions of "Euroland." Mr. Schroeder was described as apparently less enthusiastic than his finance minister, Oskar Lafontaine, and their French counterparts, oo creating an "economic government" among the euro countries to serve as a political balance to the decision-making power of the European Central Bank.

But where Germany and France were clearly diverging was in relation to their overall view of the world and the United States' role.

In a statement of German foreign policy goals last week, Mr. Fischer listed reducing imbalances in EU financing as Germany's priority. When asked about American policy on Iraq and ongoing military measures there, he steered clear of any criticism of Washington. A German foreign policy expert said the government saw no justification or yield in a "knee jerk" reaction to the military response.

This contrasted sharply with an analysis Mr. Jospin offered last week in a newspaper interview in Paris.

He said: "We're confronted with a new problem on the international scene. The United States often behaves in a unilateral way and has difficulties in taking on the role to which it aspires, that of organizer of the international community." Through the euro, he said, Europe was affirming "its desire to escape from the dominatioo of the dollar."

Mr. Vedrine went further late last year. He described as "the major fact in the world today the predominant weight of the United States in all areas and the absence for the moment of a counterweight." What he identified as American unilateralism had become unacceptable. By way of response, Mr. Vedrine called for "methodically broadening the basis of agreement between Europeans," "cooperating at each stage with the United States on bases fixed between Europeans" and "preparing politically, institutionally and mentally for the moment when Europe will have the courage to go further."

This approach is absent from the vocabulary of Mr. Schroeder and Mr. Fischer and seems far from their political calculations.

The German government has stressed the importance to it of a firm legal basis for the use of military force, but it has accepted the idea of an ad hoc approach to situations that cannot practically receive approval from the United Nations Security Council. With Europe's and NATO's enlargement involving its direct eastern neighbors, it tends to see the United States' most immediate effect on its affairs as stabilizing rather than constricting.

Mr. Fischer, with coosiderable candor, foresaw the German role before the election when he called Mr. Schroeder to order. He said then: "Our number one aim is the process of European unificatioo. Europe can't solve its security problems, so we oeed the United States in Europe as a guarantee against Russia and for internal European security problems. France doesn't share our view, but we've known that since the 1960s. So we have to balance it out."

If there is an issue where the German government has caused discomfort for both the Americans and the French, it is Mr. Fischer's insistence oo a NATO review of doctrine that allows its ouclear powers to consider first use of their atomic weapons. What is not clear is how mucb emphasis Mr. Fischer wants to give to the initiative, which was an emotional issue for the Greens when the party developed during the missile debates of the early 1980s.

Whatever the outcome, the irritation has had little impact on the government's attitude toward the North Atlantic Treaty Organization, wbicb is preparing a new mission statement for its 50th anniversary meeting in April. The tone the government was seeking, markedly different from that of France, seemed embodied in a statement on the event from Defense Minister Rudolf Scharping:

"What's involved is a new, forward-looking distribution of tasks between Americans and Europeans that secures American engagement in and for Europe in the 21st century. The Europeans' readiness to take on more responsibility and America's justified expectation to be able to turn over part of the burden of joint security are two sides of the same coin."

ICELAND: *A Gene Pool of Controversy*

Continued from Page 1

The plan was proposed by an Icelandic scientist as a way to develop a new natural resource for a country where unemployment is a chronic problem.

The Parliament, the Althing, approved the plan last mooth, passing a law authorizing the database and creating the framework that will enable an Icelandic company, deCODE Genetics, to hold an unusual 12-year monopoly on data marketing rights.

Iceland's population presents a tantalizing opportunity for those who study genetics because Icelanders' blood hair and blue eyes reflect one of the most remarkably homogeneous populations in the world. The original blend of 9th century Norse stock and Celtic seamen has been largely unchanged, and that gene pool was further restricted by bouts of plague, famine and volcanic eruption.

This comparatively simple set of genes makes genetic prospecting far less daunting than trying to track down faulty genes among the millions of chemical components arrayed along the human chromosomes in heterogeneous populations like that of the United States.

It is a little like trying to detect a single flat note sung by one person, while wandering through a public park in which everyone is singing his own favorite tune: The distractions of the merengue, the klezmer, the classical and the sea chanteys make it even harder to find the errant note.

A homogeneous population such as Iceland's, however, is more like a chorus, with most people singing from the same page — so it is much easier to discern when ooe of the singers is off.

Because Iceland has a strong healthcare system with extensive record-keeping, as well as genealogical records that go back hundreds of years, it offers tremendous potential for ferreting out the relationship between the genetic and environmental origins of disease, said Kari Stefanssoo, deCODE's chief executive. Researchers will be able to sift through the data to uncover medical insights "in a systematic manner," Mr. Stefansson said, adding that "it's going to be a great discovery tool."

Those in Iceland supporting the plan say it strikes a careful balance between the rights of the citizenry and the needs of science.

Solveig Petursdottir, a member of Parliament who voted for it, said the unified health database would "improve delivery of health services." He added, "On balance, I think the potential advantages will outweigh the risks involved."

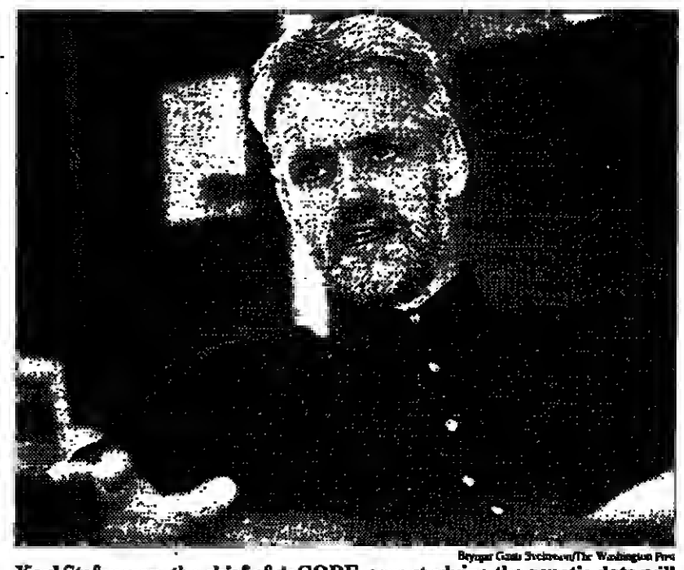
Opponents of the law cite numerous problems. Many of them are among the nation's leading scientists and scholars. They argue their case in Icelandic and English on their Web site, and have formed an advocacy group, Mannvernd, "to promote ethical standards in medical research, science and in the biotechnology industry in Iceland" and to oppose the new law, which the group's Web site says "infringes upon accepted medical, scientific and commercial standards."

They say that they understand the importance of deCODE's work and support earlier efforts by the company to understand genetic diseases by studying the DNA of Icelandic volunteers. But the new plan, they say, takes away too much privacy — for private gain — and gives too little back to the nation and to science.

"When you put genealogical information into the data bank and also genetic data, then the data bank knows more about you than you know about yourself," said Tomas Zoega, chairman of the Icelandic Medical Association's ethics council. "Some look at it as a fantastic idea. But I think the idea is a scary one."

Opponents complain that they still have not been told how the DNA will be collected, or how much information will be stored in the database. Those details will be decided by a government-created committee.

The company has promised to collect the data "anonymously" but uses that word with great nuance, opponents say. Among most database experts, "anonymous" almost always means that identifying information will be stripped away. But in this case, the information directly identifying individuals will be encrypted so that it cannot easily be read by unauthorized people.



Bryan Gentz Stevenson/The Washington Post

Karl Stefansson, the chief of deCODE, says studying the genetic data will "be a great discovery tool" and will provide insights to many diseases.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
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The President's Answer

President Bill Clinton's written response to the articles of impeachment contains a reasonable critique of the charges that were passed by the House of Representatives. As a defense of the president's conduct, however, it is the same old legalistic hair-splitting that misses the point.

Each article, the president's lawyers argue, is too vague to support conviction, fails to reach the constitutional standard for removal from office and is, in any event, false. "President Clinton denies that he made perjurious, false and misleading statements before the federal grand jury," his lawyers contend, and he also "denies that he obstructed justice in either the Jones case or the Lewinsky grand jury investigation."

On the obstruction question, the president's factual defense is greatly aided by the failure of the House to conduct its own investigation and shore up the findings made by Kenneth Starr. The evidence against the president on the obstruction count was always ambiguous, though highly suggestive, and it remains internally inconsistent. The president is also on safe ground in complaining about the vagueness of the perjury article, which does not even identify the statements for which he is being held to account. And the overarching problem with both articles is that even if all the allegations against Mr. Clinton are true, the conduct charged somehow still seems to fall short of what should be required to remove a president. The president, in other words, is out without arguments.

What makes this latest defense as unsatisfactory as all the others, however, is the continuing and demeaning failure on the part of the White House simply to admit (since it cannot deny more credibly) the charges that the president lied under oath. The White House brief intimates lamely that the perjury article misreports the president's grand jury testimony — accusing the House of perpetuating "myths" in making the accusation. It also repeats the absurd claim that the president was truthful when he denied having "sexual relations with Ms. Lewinsky as he understood that term to be defined by the Jones lawyers during their questioning of him in that deposition."

It is difficult to find a single honest sentence in the factual defense on the perjury charge. The president's lawyers may be convinced that his legal defense requires this sort of tortured argumentation. But it is long past the point of farce.

—THE WASHINGTON POST

North Korean Deal Unravels

A new and potentially volatile crisis is brewing between the United States and North Korea. Pyongyang's reckless behavior threatens to unravel a 1994 nuclear agreement with Washington. That would effectively end diplomatic dialogue between the two countries and could lead to heightened military tensions on the Korean Peninsula.

Late last year the Clinton administration appointed William Perry, the former defense secretary, to review American policy toward the North. He is now trying to learn more about what Pyongyang is up to and to see if the growing tensions can be diminished.

But he cannot succeed if North Korea continues new construction that would break its pledge to freeze nuclear weapons development or if it alarms its neighbors with further missile tests. At best, North Korea's actions are an attempt to extort new money and concessions from the West. At worst they signal an intention to break the nuclear agreement or even to threaten South Korea and Japan.

The 1994 agreement commited North Korea to freeze nuclear programs that were producing bomb-grade materials. In return, a group of Western countries led by the United States agreed to build new civilian power reactors for the North and supply it with imported fuel oil. Until now, both sides have formally complied with the agreement.

But last year, American intelligence agencies spotted the apparent beginnings of a new underground North Korean nuclear complex.

Pyongyang refuses to let Americans inspect this site unless Washington makes large additional payments. Then in August, North Korea launched a three-stage rocket over Japan. There are signs that it may be readying another test. The missiles do not violate the nuclear agreement, but they may drive Japan to stop financing the nuclear deal.

Even if North Korea is only advertising its rocket and missile prowess to get the West to pay for freezing these programs as well, it is a troubling development. Paying for a missile freeze might lead to further demands as North Korea looks for ways to keep its bankrupt dictatorship afloat.

America should help North Korea deal with its devastating famine and should offer support if the North begins to move away from its disastrous command economy. But Mr. Perry must make clear to Pyongyang that there are limits to American generosity and that Washington expects the 1994 nuclear agreement to be honored in full.

—THE NEW YORK TIMES

Battles in the Drug War

Satellite photographs inform the U.S. government that the cultivation of coca, the raw material of cocaine, is sharply down in Peru and Bolivia and up in Colombia. It follows that:

When producing-country governments cooperate, it counts. A natural fungus helped in Peru, but there and in Bolivia official policy supported spraying, crop substitution and aerial interdiction, and the methods are working. Americans and Latin Americans alike need to know this in order to fit politically and to keep the heat on producers and shippers.

When producer-friendly governments cheat, things fall apart. Colombia is in transition from the former leadership's softness on the cartels to newly elected President Andres Pastrana's toughness and imagination. The cutting edge of his policy is his controversial reach to the country's long-lived, deep-rooted insurgency, which feeds off the drug trade. In his effort to wind down a 40-year civil war, he is looking to draw in the guerrillas and, in the specific instance of drugs, to turn them from adversary to partner.

That's no easy trick: The main guerrilla group is not only suspicious but, as a result of its isolation, simplistically — even laughably — Marxist. But Americans have their own adjustments to make.

Until now, with the guerrillas frozen in hostility, taking up a counterinsurgency mission had a certain anti-drug appeal but put the United States in league with a Colombian military with a bad human-rights record. Now, with President Pastrana going personally into the guerrillas' zone to invite them to a negotiation, Washington has to find a policy to match the emerging Colombian flow. The U.S. administration stirred Republican fire when it sent diplomats recently to meet with rebel officials to ask, it said, about three kidnapped Americans. That's reason enough for contact, but the whole American approach needs to be reviewed.

—THE WASHINGTON POST

Other Comment

Annan's Morally Vapid View

Kofi Annan is irked that the United States may have used the United Nations weapons inspections team as a cover for intelligence gathering on Saddam Hussein's personal security apparatus — which is the same organization that hides his illegal weapons. Annan is incensed because, an adviser said, "the UN cannot be a party to an operation to overthrow one of its member states." In Annan's morally vapid view, ridding the world of weapons that Saddam Hussein is bound by Security Council resolutions to destroy must take a backseat to protecting the government of a "member state," even if it's Saddam's illegitimate tyranny.

—The New Republic (Washington)

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel: (+33 1) 41 43 93 00. Fax: Subscriptions (+33 1) 41 43 92 10, Advertising (+33 1) 41 43 92 12, News (+33 1) 41 43 93 38.
Internet address: http://www.iht.com E-Mail: iht@iht.com
Editor: Alain Mestre Kronfeld, 5 Canterbury Rd, Auckland 10, New Zealand. Tel (09) 372-7158. Fax (09) 372-2134.
Also for Asia: Level 11, Gloucester Tower, 15 Ladder Street, Central, Hong Kong. Tel 852-2922-1188. Fax 852-2922-1190.
Also for Germany: 7 Schäfer Straße, D-63523 Frankfurt/M. Tel 49-69-97128-0. Fax 49-69-9712-8120.
U.S. Office: 850 Third Ave., New York, NY 10022. Tel (212) 752-3890. Fax (212) 755-8785.
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Netanyahu Is Playing a Dangerous Game

By Thomas L. Friedman

WASHINGTON — Some statesmen are remembered for having crossed the Rubicon.

Israel's prime minister, Benjamin Netanyahu, will be remembered for swimming laps in the Rubicon. Mr. Netanyahu is the Mark Spitz of Israeli politics — no Israeli leader has ever crisscrossed the Rubicon faster or more often.

Just when you think he has made a strategic decision to cross the river and pursue partnership with the Palestinians, and you want to extend a hand to him on the other shore, Mr. Netanyahu swims back the other way. His supporters say this is a strategy. I think not. I think it reflects a total absence of a strategy, and it is resulting in Israel making the most dangerous peace of all.

How so? Well, it would be one thing if Mr. Netanyahu were true to his heart, his writings and his core supporters and said: "I don't believe any partnership is ever possible with the Arabs or Palestinians. Therefore, I will not give up one inch."

And it would be another thing if Mr. Netanyahu adopted the Yitzhak Rabin view that the way to make peace is to gradually trade land with the Palestinian Authority in return for a real, long-term economic, political and security partnership.

But Mr. Netanyahu has opted for a "third way." He delays as long as he can, then under maximum international pressure strikes agreements with the Palestinians over Hebron and the West Bank, then withdraws from territory, and then when this produces a hostile reaction from his far-right supporters, he lurches backward to placate them, undermining any long-term partnership with the Palestinians.

This is the most dangerous sort of peacemaking of all, because at the end of the day Mr. Netanyahu gives up 5 percent less land than Labor would have, and gets 100 percent less partnership. I can only assume that he has no strategy, because it is impossible to see how this approach could be a deliberate strategy. If Mr. Netanyahu continues on this track, he will give up 50 percent of the West Bank, as opposed to Labor giving up 60 percent, and he will end up with no partnership with the Palestinians and a crisis of confidence with the United States. This is a strategy?

If you don't believe there is any hope of partnership with the other side, then don't give up any land. But if you think that a real partnership is possible and Israel's security depends on it, than this must be the focus of your diplomacy and politics — not trying to salve the hurt of Israel's far right.

Divining any strategy with Mr. Netanyahu, though, is hard because he has never given a speech laying out the logic of what he is doing and where exactly he is heading. The only clear-cut speeches Mr. Netanyahu has ever given are to denounce the agreements he has just made — Hebron and Wye — and to denounce his partner in those agreements, Yasser Arafat.

Had he come home from the Wye negotiations and declared: "Friends, the game is up. This is the direction I am going, and I am going to make sure that I have a government that represents the 75 percent of Israel that wants to go there" — that would have been a strategy. But Mr. Netanyahu came home from Wye, got a bad reaction from the rightists, and instead of having the courage of someone with convictions, started trying to placate them. When that did not work, he made a desperate 12th-hour attempt at forming a national unity government that no one took seriously. And when that led to new elections being called, he froze the Wye agreement — to reclaim his right-wing base — while claiming that the Palestinians were not keeping their side of the bargain (which the State Department says is simply untrue).

Instead of trying to build an ideological and political synthesis between the center-right and center-left, Mr. Netanyahu has spent the last two years trying to fool different parts of the Israeli electorate at different times.

"Bibi has crossed the line between being pragmatic and being unprincipled," observed the Middle East expert Stephen Cohen. "He has refused to make either a choice between the two sides in the Israeli debate or to make a synthesis between them. The result is that he produces neither a genuine peace nor a sense that he has any principles."

The New York Times.

Is India Imitating China in Persecuting Christians?

By Sunanda K. Datta-Ray

SINGAPORE — Tensions between Hindus and Muslims may be endemic to India, but is India under the governing Hindu revivalist Bharatiya Janata Party, the BJP, also joining Communist China and Islamic Pakistan in persecuting Christians? With more instances of anti-Christian violence in 1998 than in the previous 50 years, that is a disturbing prospect not just for 27 million Indian Christians of all denominations, but for the health of a nation of nearly a billion people.

When Jawaharlal Nehru was India's first prime minister there were no vicious attacks on Christians such as the rape of four nuns or lynching of priests, as reported recently from remote villages in two states, Gujarat and Madhya Pradesh. Nor were churches and chapels burned down. But suspicions of political mischief, extraterritorial loyalty and the hidden hand of the Central Intelligence Agency — now voiced by militant Hindu leaders who have dubbed Christians "the second East India Company" (the first, founded in 1600, conquered India) — were never far from the surface. Western missionaries were evicted from India's northeast where Christianity was thought to go hand-in-hand with the secessionist demands of the Mongolian tribes. Despite her status of national heroine, even Mother Teresa was not allowed to visit Arunachal Pradesh state, the former North-East Frontier Agency, bordering Tibet and Burma, in the 1970s when a local Freedom of Religion Act (newspeak for a ban on conversion) led to a spate of chapel burnings.

All those dormant fears were given free rein in March when the BJP formed an ill-assorted 18-party coalition in New Delhi, with a former Roman Catholic seminarian, George Fernandes, as defense minister. Such paradoxes are common to India. They usually make for social harmony and peaceful coexistence. The BJP displays very little bigotry at all at the top.

Prime Minister Atal Bihari Vajpayee, who promised Christians protection from further attacks when he visited Gujarat's stricken villages on Sunday, is no fanatic. He is believed to have pushed the resolution that the party's executive committee adopted recently condemning "any attack on a place of worship, whether a church or a temple."

But there is less prudence lower down the line among the BJP's sociocultural support organizations, the Sangh Parivar (Sangh Family) as they are called collectively. The most prominent is the Rashtriya Swayamsevak Sangh, or National Volunteers Society.

But there is more to it than just an Indian variant of mindless inner-city rioting. The newly formed Dharmaraksha Samiti (Committee for the Protection of Religion) has given missionaries in Maharashtra state an ultimatum to leave. The Vishwa Hindu Parishad (World Hindu Council) accuses the CIA of investing $12 million "to help the spread of Christianity in India as part of a global evangelization plan."

Fired by fear and fervor, the same Hindu zealots who caused mayhem several years ago when they tore down a 15th century mosque built on the reputed birthplace of Rama, the legendary Hindu god-king, are again on the march. They are convinced that their hour has come because the BJP rules in New Delhi, and because not to be Hindu is un-Indian.

Yet, Christianity in India is far older than the modern republic. Church leaders are unapologetic to a point that many find provocative.

"We do convert people, but we do not just change their religion," said Taranath Sagar, a Methodist pastor. "We liberate people from age-old bondages and improve their total situation, which is what the Hindu fundamentalists do not like." Fundamentalists, especially in rural areas, enjoy the backing of influential conservative interests, irrespective of religion, in opposing that liberation.

But as Mr. Sagar would no doubt argue, defiance, persecution and martyrdom are what Christianity is all about. Between them, they pose a threat to India's stability that moderates like Mr. Vajpayee alone can halt by breaking out of the Sangh Parivar's clutches and mobilizing middle-of-the-road Indians who find him a likable and trustworthy leader.

The writer, a former editor of The Statesman in India, is an editorial consultant with The Straits Times in Singapore. He contributed this comment to the International Herald Tribune.

In Matters of Crafty Compromise, the Senate Leads the Way

By David S. Broder

WASHINGTON — When it comes to creating a crafty compromise, the House of Representatives clearly cannot hold a candle to the U.S. Senate. The artful negotiation last week that produced a unanimous floor vote on the procedures for the Senate's impeachment trial of President Bill Clinton was a nice piece of work — and a sharp contrast to the partisanship of the House debate.

Briefly, here's where things stand. The senators agreed to hear the House impeachment managers (Republican Judiciary Committee members) make their case this week for convicting the president of lying and obstruction of justice, and then to give equal time next week to the rebuttal arguments of Mr. Clinton's attorneys. After both sides have been questioned by senators (relaying their queries through Chief Justice William Rehnquist in the chair), the Senate will entertain alternative motions to dismiss the charges or expand the trial by bringing in witnesses — either of which may be done by majority vote.

That agreement accomplishes several important goals. First, it protects the Senate's right to control the proceedings each step of the way, rather than forcing it to choose at the outset of the trial between the House managers' demand for witnesses and the White House's opposition to them.

Second, it permits the senators to hear extensive presentations of both sides of the case before they make any of the critical substantive or procedural decisions. Even those who have read much of the record assembled by the independent counsel, Kenneth Starr, and have followed the House impeachment proceedings will gain from this focused debate.

Third, by providing in their agreement that any witnesses who may appear will be deposed in private before they are invited to testify in public, the Senate has provided a sensible precaution against tawdry irrelevancies — something the House failed signally to do when it voted to release the entire Starr report without knowing how graphic its sexual descriptions were.

In creating these safeguards, the Senate has done all it prudently can to protect the seriousness of the process and to move it along as rapidly as something of this great consequence can be.

What else would help? A common-sense, informal agreement about the questions the Senate will face at the end of the opening arguments.

First will come the motion to dismiss the charges. This will test the success of the president's attorneys in convincing a majority of the Senate either that there is no convincing evidence of lying and obstruction of justice or that these charges do not rise to the constitutional standard of "high crimes and misdemeanors." Even if the 45 Democrats were unanimously of that view, at least six Republicans would have to concur. Such a decision would, I believe, be readily accepted by fair-minded people and would bring an end to the sad, year-long spectacle.

On the other hand, if that motion fails, the House managers, charged with the constitutional responsibility of prosecuting this case, are entitled to the benefit of the doubt on calling witnesses. It is their case, and absent some overriding counterargument, they should be allowed to make it as they judge best.

Democrats, following the White House lead, have opposed calling witnesses, and Republicans are well aware of the political risks of prolonging the trial. But the grand jury proceedings and the Starr report, on which the House relied, did not allow any of the witnesses to be cross examined. And testimony by principals — including the president, should he wish to appear — is superior to anyone's summary.

Would this stack the deck against Mr. Clinton? No. He is amply protected by the constitutional requirement of a two-thirds majority for conviction and removal, which would require the concurrence of at least a dozen Democrats. And a motion to adjourn the trial and dismiss the charges can be passed by majority vote at any point.

A second step that would add value to the procedures the Senate has outlined concerns the much-discussed censure alternative. A good many senators, mainly Republicans, have pointed out that, appealing and expedient a compromise as it may be, censure is not sanctioned by the constitution, is damaging to the vital constitutional principle of separation of powers and could set a dangerous precedent.

An open letter, setting forth these flaws and signed by a significant number of senators, would be a useful way of signaling to other senators right now that they must choose between conviction and acquittal. That would concentrate their attention where it belongs — on the strength or weakness of the case against the president — and remove the current temptation to regard this as a forerunner to censure rather than the grand inquest it properly should be.

The Washington Post

Time for a Hefty U.S. Tax Cut

By James K. Glassman

WASHINGTON — With the Senate bogged down in an impeachment trial, the House can turn its attention to the single most important piece of legislation for this session: a big, juicy tax cut.

After years of patchwork bills providing favors for interest groups — child credit for the religious right, capital gains cuts for Wall Street, etc. — reformers are finally getting smart. Sentiment is beginning to coalesce around a simple 10 percent across-the-board reduction in tax rates.

Lower rates are better than targeted relief because: (1) They are fairer, since they do not discriminate by rewarding only taxpayers favored by politicians and lobbyists, and (2) they encourage people to work and invest more, since taxpayers keep more cents out of each extra dollar.

There are two other reasons for a tax cut:

First, it would provide what Lawrence Lindsay, former Federal Reserve governor and my colleague at the American Enterprise Institute, calls "dearly needed economic insurance." Spending by U.S. consumers is keeping the world economy afloat, says Mr. Lindsay, and it is uncertain they can keep up the pace — especially with taxes running at a postwar high. A tax cut would put more money back in their hands.

Second, the federal government is running a surplus. And last year we got a good demonstration of what politicians of both parties do with a surplus. They spend it — often on pork-barrel projects such as the highway bill or on subsidies to favored groups such as farmers.

A tax cut would deprive both parties of that surplus. Americans could decide what to do with their own income — save it or spend it on education, clothes, a new house. It's theirs, after all.

In his State of the Union address a year ago, President Clinton said he would reserve "every penny of any surplus" for Social Security. Instead, joining with Republicans, he boosted federal spending by an extra $20 billion, getting around budget rules by calling the new outlays an "emergency."

Since the big surplus in 1998 was a surprise, the new spending was just a preview, a warning of what we will see when politicians really get going. The 1999 surplus is now pegged at $63 billion, but that figure will rise when the perennially pessimistic Congressional Budget Office makes adjustments later this month.

Since 1992, tax revenues have been rising at 8 percent annually, an incredible pace in an economy with less than 2 percent inflation. But for 1999, the CBO projects revenues will rise only 4.4 percent: they are already running well ahead.

A surplus of even $70 billion would be enough to fund a 10 percent across-the-board cut, and additional cuts can follow with surplus estimates now running over $100 billion annually after 2001.

But what about Social Security? Mr. Clinton's 1998 State of the Union promise was just a ruse, and it worked. He never presented a plan to "save" the system — nor did he show how surpluses have anything to do with Social Security.

They don't. In 2013, the retirement system will start to take in less in payroll taxes than it spends on benefits. How will the shortfall be met? Not by the trust fund, which is full of IOUs but, as Milton Friedman has written, "by taxing, borrowing, creating money or reducing other government spending. There are no other ways."

Through last year's brilliant deception, Mr. Clinton got extra spending and scared Republicans away from a tax cut.

Now, it seems, Republicans, especially in the Senate, where last year's half-hearted bill died, realize their folly.

But before Republicans propose tax relief, they have to assuage the fears of older Americans and inoculate themselves against Democratic charges that the cuts will wreck Social Security. The economist Bruce Bartlett has a solution: Pass a bill that guarantees benefits for current recipients and other seniors.

In the 2000 election, 19 Republican Senate seats are up, 13 of them in states carried by Mr. Clinton in 1996. If Republicans think they can retain control of Congress on the strength of impeachment or on the coattails of George W. Bush, they are taking a ridiculous gamble. Better to go back to what got them there in the first place: spending restraint and a tax cut that overcharged Americans deserve.

The writer is a fellow of the American Enterprise Institute. He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: German Hopes

PARIS — [The Herald says in an Editorial:] The German Government still harbors illusions as to the Philippines. By precipitating a conflict between the natives and the American army of occupation it is hoped to arouse feeling against the annexation of the Archipelago. Germany reckons on getting a coaling station and ultimately a protectorate over the islands. Relations with Germany have been growing more strained than ever. Reprisals will first take the form of a tariff war.

1924: Music Travels

LONDON — Mr. Lewis T. Dixon, of Southfields, was surprised to receive a letter bearing a Kansas City postmark. He is an amateur wireless experimentalist and he carried out a promise made to friends that he would broadcast a private concert. Mr. Allen White, of Kansas City, Mo., also picked it up on a nine-valve set. He looked up the record of English amateur code signals, and, discovering the broadcaster, wrote him the appreciative letter.

1949: Literacy Quotas

ATLANTA — Re-establishment of the poll tax and stricter literacy requirements for Georgia voters were put before the state legislature by Herman Talmadge, one of the South's foremost supporters of "white supremacy." His measure would cross off the books 1,200,000 voters, including 150,000 Negroes. Talmadge's forces would repeal the provision that prospective voters must merely be able to read and write satisfactorily. They would require the voter to explain any section of the State or Federal Constitution to the entire satisfaction of the voting registrars.

OPINION/LETTERS

Since Sex Is So Important, Call Lewinsky to the Stand

By Richard Cohen

WASHINGTON — I call Monica Lewiosky to the stand.

Well, why not? What's the big deal? Senate Democrats, not to mention the White House itself, act as if this would be the worst thing imaginable and for understandahle reasons — like supreme embarrassment to the president.

But the whole world, including yak herders in Outer Mongolia, already knows what Ms. Lewinsky has to say and would soon realize that this case is, as many Republicans keep insisting it is not, about sex. It is about little else.

Ms. Lewinsky's testimony would make that clear. It would revolve around the questions of what is sex and who gets to define it and who touched whom where. And, while *we're at it*, was it the intention of the party of the first part to arouse the party of the second part so that (herewith and forthwith) both lost their senses and engaged in an orgy of gift-giving, T-shirts and the like?

These are all serious questions, grave and momentous, surely of the sort the Framers had in mind when they concocted the impeachment procedure.

It is likely that in some Federalist Paper not yet discovered, James Madison mulled over these matters, the definition of sex much preoccupying him in those halcyon days after the revolution. His "Observations, Lamentations, Ruminations and Aggravations on Presidential Sexe" has long been a missing classic. Its discovery would help us enormously in these troubled times.

I understand, of course, why President Bill Clinton and his lawyers would oot like to see Ms. Lewinsky called to the witness stand. He would seem a fool. Everyone seems a fool when it comes to sex — especially when it involves an older man, a yonnger woman and a dear friend with a tape recorder.

In this way, the president would bave to account for his most intimate behavior, but we would get to appreciate, maybe, that he really was staying jnst this side of a line he himself had drawn: Everything short of intercourse is not sex. It is something else. The Senate may want to take a day or two to debate exactly wbat that may be. Who knows? Maybe a law will result.

By this point, the country would be reaffirmed in its conviction that Mr. Clinton did indeed attempt to hide the fact that he bad a sexual relationship of some kind and that he had indeed engaged in evasive wordplay.

In fact, he lied, and he did so under oath. But these lies were meant to protect the false statements he made in his deposition in the Paula Jones sexual harassment suit, a fraud of a case brought by a publicity hound, financed by Mr. Clinton's most rabid enemies and intended to mortify the president. What, dear reader, would you have done?

Next, we come to the matter of obstruction of justice. This pertains to the false statements that the president made to his aides in which, for reasons *unfathomable to his enemies*, he denied having sex with Ms. Lewinsky. What be sbould have done, apparently, was tell eacb and every aide the truth, have them sign a confidentiality agreement (copy for the file, please) and avoid all eye contact with Hillary Clinton, should they pass her in the hallway. To have done that would, truly, have amounted to an impeachable offense, assuming that incredible stupidity is snfficient reason for removal from office.

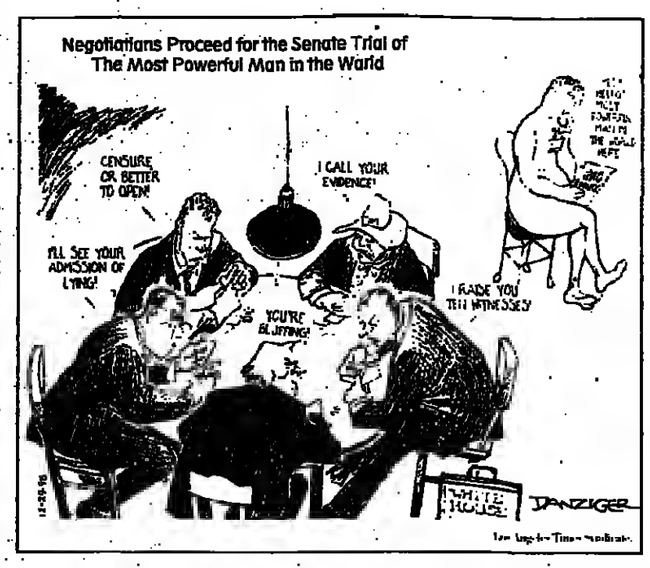
Here, too, Ms. Lewinsky would make a terrific witness. She would repeat wbat she told the grand jury: "I would just like to say that no one ever asked me to lie and I was never promised a job for my silence." This, of course, does not tell us whether Mr. Clinton tried to retrieve the gifts he had given her, whicb we all know he did. This, too, was wrong but not just maybe, *rising to the level of an impeachable offense.*

But the obstruction of justice charge is beside the point. This case is about the epic question of whether a married man who happened to be the single most famous person in the entire world attempted to cover up — even lie about — an extramarital relationship he had with a young woman in his employ. Did he ever do you-know-what, and did she ever you-know, and did they have telepbone sex on a nonsecure phone? (Was Saddam Hussein, in addition to Linda Tripp, listening?)

For these and other momentous questions the Congress of the United States has ground to a halt, and the White House is similarly preoccupied. Only one person can clear up these matters.

I call Monica Lewinsky to the stand.

The Washington Post.



Anxious About the Millennium? Approach It With a Little Proust

By Alain de Botton

LONDON — Everything seems to be coming to an end. As 1999 began, it became impossible to escape our proximity to the end of the millennium, which has left the anxious with the task of worrying about the eod of electronic civilization, and the apocalyptic worrying about the end of the world. It seems a melancholy situation. Bot an unlikely source may provide relief.

In the 1920s someone looking for a paper to read in Paris might have picked up L'Intransigeant. It had a repntation for investigative news, metropolitan gossip, comprehensive classified advertisements and incisive editorials. It also bad a habit of dreaming up big questions and asking French celebrities to send in their replies. "What do you think would be the ideal education to give your daughter?" was one question. "Do you have any recommendations for relieving traffic congestion in Paris?" was another.

MEANWHILE

In the summer of 1922, the paper formulated a particularly elaborate question for its contributors:

"An American scientist announces that the world will end, or at least that snch a huge part of the Continent will be destroyed, and in such a sudden way, that death will be the certain fate of hundreds of millions of people," the question began.

"If this prediction were confirmed, what do you think wonld be its effects on people between the time when they acquired the aforementioned certainty and the moment of apocalypse? Finally, as far as you're concerned, wbat would you do in this last hour?"

The celebrities who responded included a palm reader, an actress, a cyclist, a politician and a reclusive, mustacbioed novelist who had spent the last 14 years lying in a narrow bed under a pile of thinly woven woolen blankets while he wrote an unusually long novel without an adequate bedside lamp. Since the publication of the book's first volume in 1913, "A La Recherche du Temps Perdu" — carelessly translated into English as "Remembrance of Things Past" — had been hailed as a masterpiece.

A French reviewer had compared its author, Marcel Proust, to Shakespeare, an Italian critic had likened him to Stendhal, and an Austrian princess had offered her hand in marriage. Enthusiastic about cootributiog to newspapers, and in any case a good sport, Proust sent the following reply to "L'Intransigeant," a response that may help us to confront the millennium.

"I think that life wonld suddenly seem wonderful to us if we were threatened with death as you say. Just think of bow many projects, travels, love affairs, studies, it — our life — hides from us, made invisible by our laziness which, certain of a future, delays them incessantly. But let all this threaten to become impossible for all time, how beautiful it would become again! Ah! if only the cataclysm doesn't happen this time, we won't miss visiting the new galleries of the Louvre, throwing ourselves at the feet of Miss X, making a trip to India.

"The cataclysm doesn't happen, we don't do any of it, because we find ourselves back in the beart of normal life, where negligence deadens desire. And yet we shouldn't have needed the cataclysm to love life today. It would have been enough to think that we are humans, and that death may come this evening."

Our sudden feeling of attachment to life wben we realize the imminence of death suggests that it was perhaps not life itself that we had lost the taste for but, our quotidian version of it. Our dissatisfactions were more the result of a certain way of living, perhaps, than of anything irrevocably morose about human experience.

In the Proustian schema, the threat of endings is the principal way in which we learn to appreciate what we have.

Having surrendered tbe customary belief in our own immortality, we would then be reminded of a host of untried possibilities lurking beneath the surface of an apparently undesirable, apparently eternal existence.

The advantage of endings is that they help to remind us of the value of things we might otherwise have lost sight of.

In the Proustian schema, the threat of endings is the principal way in which we learn to appreciate what we have. Absence reveals what is present (wbich is, incidentally, why for Proust the finest way to revive a flagging relationship is for one partner to make the other jealous, hinting at the potential end of tbe relationship).

In this year of conclusions, we may learn to accept endings as perverse, painful but not negligible ways of teaching us what is valuable.

Mr. de Botton is the author of "How Proust Can Change Your Life" and the forthcoming "The Consolations of Philosophy." He contributed this comment to The New York Times.

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LETTERS TO THE EDITOR

The Yen's New Strength

Regarding "Obuchi Calls for Currency Cooperation" (Jan. 8):

Prime Minister Keizo Obuchi of Japan is quite correct that wild fluctuations in major currencies are detrimental to the Japanese economy and, by extension, the world. However, his proposal for a monitoring system consisting of flexible trading targets is reminiscent of other efforts in Japan to mask the symptoms rather than treat the underlying cause of the trouble in the dysfunctional Japanese ecooomy.

While many analysts are puzzled by the yen's recent strength, most agree that it is tied to investment flows rather than economic fundamentals. In this sense, temporary yen strength could be a paradoxical sign of economic weakoess. For Japanese investors and companies, the narrowing spread between benchmark Japanese government bonds and U.S. Treasuries provides a good opportunity to repatriate sorely oeeded capital while reducing overall foreign-exchange risk.

The yeo's strength, however, could prove to be highly perishable oece these flows dry up and exchange movements become more closely aligned with economic cooditions. Mr. Obuchi would do well to pursue sound policies to address pressing issues such as overcapacity, weak profitability and the massive overhang of bad debt that has frozen liqoidity in lending and property markets.

While excessive volatility clearly can have harmful effects, long-term trends in foreign exchange movements tell a story about market confidence in a country's economy and supporting institutions.

Mandating exchange-rate stability would have the unfortunate effect of blunting the message and make the efficient allocation of capital in Japan even more of a daunting challenge.

D. JEROME MURPHY.
Tokyo.

Hong Kong's Economy

Regarding "Too Business Friendly in Hong Kong and Malaysia" (Opinion, Jan. 1) by Philip Bowring:

After the ecooomic failures of 1998, both Hong Kong and Malaysia have the opportunity to reaffirm their commitment to free trade and the open economy. Decisive action is required to demonstrate to local and overseas players that a level playing field really does exist.

Hong Kong can act swiftly to regain its status as the "capital of capitalism." A clear move against some of the distorting monopolies and vested interests identified by Mr. Bowring would be a welcome initiative. By turning its rhetoric into actioo, Hong Kong might have the opportunity to enter the 21st century as the freest economy in the world and the prime ceoter for business in Asia.

DAVID BRAGA.
Hong Kong.

10 Arrested As Iran Panel Probes Deaths Of Dissidents

Agence France-Presse

TEHRAN — Ten people have been arrested in connection with the recent murders of intellectuals and dissidents in Iran in which Iranian secret agents have been implicated, a senior investigative committee oo the killings said Tuesday.

"Ten people have been arrested and questioned over the affair," said the committee set up by President Mohammed Khatami in a statement read on state radio and television.

"The case, very complicated, has taken on a national dimension," the panel said, "and conducting a correct and healthy investigation is a heavy duty."

The Intelligence Ministry said last week that a number of "ill-minded and irresponsible colleagues" were involved in the November and December murders of the nationalist oppositioo leader Daryusb Foruhar and several liberal writers.

The committee — made up of Intelligence Minister Ghorban Ali Dori-Najafabadi, Interior Minister Abdul Vahed Musavi-Lari and a representative of the supreme leader, Ayatollah Sayed Ali Khamenei — was established last month to investigate the killings.

A television report said the members of the committee met Tuesday with Mr. Khatami and briefed him on the latest developments in the case.

The president demanded that the investigators "continue with strength, without any regard for marginal issues, until final results are produced."

"Our round-the-clock investigation has produced the necessary clues to identify the entire gang linked to the murders at different levels," the committee said. "A oumber of effective elements in the gang's leadership were arrested and questioned."

The committee said "a number of others have been fully identified and are presently under surveillance," adding that it preferred to withhold detailed information while the investigation cootinued.

"The masterminds behind the murders have been identified, and a massive investigation has been launched to find outside elements who are mainly responsible for the suspicious murders," it said.

"The investigation will continue without any attention to the foreign and domestic political hype around the affair," the committee added, "and the culprits will be put on trial as sooo as possible."

The revelation that intelligence agents were involved in the murders has led to bitter political fighting between reformers backing Mr. Khatami and his conservative opponeots over how to deal with the formidable secret services. Reformers have demanded that Mr. Dori-Najafabadi; a conservative, be replaced as intelligence minister.

Students protesting Tuesday, saying opponents of President Mohammed Khatami are impeding the inquiry.

Pollard Gets No Support

Don't Free Israeli Spy, Key Advisers Tell Clinton

By James Risen
New York Times Service

WASHINGTON — President Bill Clinton's key national security advisers have recommended that he deny clemency to Jonathan Jay Pollard, an American who spied for Israel, administration officials said Monday.

Secretary of State Madeleine Albright has informed the White House that there is no compelling foreign policy reason to release Mr. Pollard, the officials said. The director of central intelligence, George Tenet, sent a letter to the president Monday urging that Mr. Clinton keep Mr. Pollard in federal prison, where he is serving a life sentence for espionage. The secretary of defense, William Cohen, made the same recommendation more than a week ago, officials said.

The senior officials were responding to a White House request to provide recommendations on the case by Monday. Attorney General Janet Reno, the other senior administration official asked to make a recommendation, had not yet responded, officials said. But the Federal Bureau of Investigation has urged her to ask the president not to free Mr. Pollard.

During the Middle East talks at Wye Plantation, Maryland, in October, the president agreed to conduct an accelerated review of the case to placate Prime Minister Benjamio Netanyahu of Israel and win his support for the peace agreement. On the last day of the talks, Mr. Netanyahu demanded Mr. Pollard's freedom in exchange for agreeing to the peace deal. But Mr. Clinton agreed only to review the case.

Officials in other agencies saw Mrs. Albright's recommendation as significant, as the Israeli request for Mr. Pollard's release had come as part of diplomatic negotiations. Her response that the Pollard matter was not a significant factor in U.S.-Israeli relations could make it difficult for Mr. Clinton to argue that he must release Mr. Pollard in order to save the Middle East peace process.

This is the third time the administration has reviewed the matter. Each review was prompted by Israeli pressure on the White House, but each time Mr. Clinton's advisers have unanimously opposed releasing Mr. Pollard. A former naval intelligence analyst, Mr. Pollard spied for Israel for at least 18 months in 1984 and 1985, turning over enough highly classified documents to fill a room, officials say.

IRAQ: *In Sharpest Attack Yet, Saddam Accuses Saudi Arabia*

Continued from Page 1

over any future role for United Nations arms inspectors.

Primarily, the actions appeared aimed at fueling an atmosphere of confrontation, perhaps useful for Mr. Saddam in dealing with internal tensions in Iraq, several officials said.

At the same time, a U.S. official said by phone from Washington, the current skirmishing also "reflects a dual powerlessness in which Iraq has less and less strength and we have to no way to change the regime in the short run unless there is an Iraqi general out there who manages to overthrow Saddam."

He noted that both sides have been emphasizing threats that could set the stage for a oew phase of conflict, putting the Iraqi regime under direct threat.

Iraq has started hinting at a new readiness to spread violence and perhaps terrorism to hostile countries, a threat matched by U.S. efforts to ratchet up pressure on Baghdad by Arab governments around Iraq and Kurds inside the country — apparently in support of the declared U.S. aim of bringing a new regime to power in Baghdad.

Tactically, Mr. Saddam's defiance seems aimed at raising tensions around the U.S. stance in hopes of polarizing attitudes in the UN Security Council and widening the U.S. and British divergence with Russia, France and other countries that recoil from an overt campaign to change the Iraqi regime.

France and Russia — like many Arab countries — would like to ease the embargo on Iraq or at least the civilian suffering associated with it. But oone of these countries has come up with a new system of arms inspections offering credible restraints oo Mr. Saddam's regime.

So far, officials said, there has been no sign of any fundamental change in the diplomatic stalemate left by the U.S. and British air raids.

"The significant point is that no Arab government or leader — none, oot even Libya or Sudan — has offered any public comfort to Saddam or the regime, not even after all his complaints, after all the Western interference and all the bungling by Washington and embarrassing disclosures about Israeli involvement" in the efforts of U.S. arms inspectors, an Arab ambassador said.

Iraq's isolation has been worsened, and Paris and Moscow have been embarrassed, by the latest outbursts in Baghdad such as the charge Tuesday in Babel, the newspaper run by Mr. Saddam's soo Udai, that Saudi Arabia and Kuwait have been "threatening Iraq's sovereignty and life for nearly nine years" — in other words, since the Gulf War.

The Iraqi attacks could alienate sympathy among many Gulf Arabs ahead of Mrs. Albright's trip, on the heels of a meeting with Russian leaders on Jan. 28, with Egyptians and Saudis to rally support for the U.S. stance on the embargo.

Saudi Arabia, aware of mounting Arab and Muslim resentment about the embargo, has started looking for a way to continue ostracizing Mr. Saddam while showing solidarity with the Iraqi people.

Iraqi oil sales could be expanded, Saudi officials have soggested, if a system were instituted to guarantee that the income was spent on normal purposes and not siphoned off by the government for weapons.

The plan, which sounds similar to French government thinking, has not been fully disclosed because Saudi Arabia wants it to be adopted as an Arab initiative when foreign ministers of the Arab Leagoe meet this mooth.

Already, however, it has triggered Iraqi diatribes, the Arab ambassador said, because "Saddam sees it for what it is: an initiative that could maintain support, even among Arabs, for cootainment of Iraq militarily" — the box that he wants to escape.

Ailing with leukemia, Sahira, 5, lies in bed as her mother weeps at a hospital in Baghdad on Tuesday. Why there are no drugs is controversial.

New Turkish Leader Rules Out Use of Bases For Prolonged U.S. Air Strikes Against Iraq

The Associated Press

ANKARA— Expressing unease over U.S. air raids, Turkey's new prime minister made it clear Tuesday that he would not let a U.S.-led force use Turkish air bases for prolooged bombing of Iraq.

Bulent Ecevit told NTV television that Washington had to eome up with an Iraq policy that went beyond punitive air raids.

"I am worried that air raids will increase after the end of Ramadan," Mr. Ecevit said, referring to the Muslim holy month, which will end with the sighting of the new moon.

"While I hope Iraq will be more in accordance with the world, I also hope that the United States will produce peaceful solutions," said the new prime minister, who hours earlier presented his government's plan to Parliament.

U.S. and British forces have used Incirlik Air Base near the southern city of Adana to patrol a no-flight zone over northern Iraq since the end of the Gulf War.

Oo Tuesday, a U.S. fighter jet fired a missile at an Iraqi radar site in the exclusion zone. It was the third time this week that planes from the base shot at Iraqi missiles after determining they were about to be attacked.

"This is the excuse they are using," Mr. Ecevit said.

Mr. Ecevit has objected in the past to U.S. attacks on Iraq and has visited Baghdad to hold meetings with President Saddam Hussein.

"I don't think the United States has decided what kind of solutioo it wants to see in Iraq," he said.

Mr. Ecevit, a veteran leftist politician, served as prime minister in the 1970s. Relations with the United States in his previous terms were strained due to his decision to send troops to Cyprus in 1974, which led to a U.S. embargo on arms sales and military aid.

CONGO: *Invasion by 6 Neighbors' Troops Threatens Borders*

Continued from Page 1

rules of Africa may be unfolding in the five-month-old Congo war. By explicit agreement, African nations are not supposed to invade one another.

But critics of Uganda and Rwanda, Congo's neighbors to the east, say those two countries did exactly that by sending troops in August to help the rebels seeking to overthrow President Laurent Kabila.

The borders of African nations, set up arbitrarily by the Europeans who colonized the continent a century ago, are supposed to be inviolable.

Yet Congo is now split in two, perhaps for good: Mr. Kabila and his allies — Zimbabwe, Angola, Namibia and Chad — control its western two-thirds. The rebels and their allies — Uganda and Rwanda — control a growing third in the east.

With so many combatants, a major question is where the conflict is leading oot only Congo but also Africa itself. Diplomats around the world worry that a full-blown regional war may oot be far off, for already no African war has ever drawn in so many outside nations.

But in the longer run, many experts say that the Congo war may become a point of departure from which African nations begin to re-imagine themselves in ways not possible under the old rules of engagement.

Wars among nations, largely absent since Africans became independent starting in the 1960s, may become more common. And, many experts say, the national boundary lines that have defined African countries for a century, and lent some stability, may slowly be erased.

It is a danger that worries many people in Congo — fighters, politicians and ordinary Congolese.

"If we make the mistake of partitioning the Congo, all of Africa will follow because all our borders are artificial creations," said Dr. Kabamba Mbwebwe, the chief of the emergency room at Kinshasa General Hospital, who is involved in opposition politics here. "It's a really dangerous precedent."

Outsiders are concerned too. A senior European diplomat here calls the Congo war "the first big test of borders."

"This is what we left behind — the British, the French, the Germans, the Belgians," said the diplomat, who spoke on the condition of anonymity. "Nobody is happy with the borders they have, but nobody wants to open the Pandora's box."

Congo is particularly divisible, experts say, because the foreign troops tread on land rich in gold, diamonds, copper, cobalt, oil and timber. Each outside nation has interests in Congo — security, financial or both. So some Africa watchers say that a second and more subdued scramble for Congo, this time involving not Europeans colonists but its own neighbors, is also helping to pull the nation apart.

The irooy is not lost here in Kisangani.

"Because of our weakness, we have become a neocolony of other countries," said Omari Leasisi, a former governor of the eastern province of Kivu whom Mr. Kabila just released from prison.

It is easy to see why Congolese think their destiny has slipped from their fingers — 20 mooths after Marshal Mobutu Sese Seko, the dictator since 1965, was overthrown and the nation of Zaire became, once again, the Democratic Republic of the Congo.

News of major developments in the war come as often from Zimbabwe's capital, Harare, as from Kinshasa, the capital of Congo. A few weeks ago, the head of the badly divided rebels, Ernest Wamba dia Wamba, had to fly to Uganda to learn from officials there the details of a peace meeting in Paris.

It is a loss of control that angers people in Coogo. The country's major cities crawl with foreign troops, often staying free in the best hotels.

People around the natioo are adamant that Congo must remain intact.

"Being Coogolese is like being in your bath," said Louis Kembo, a busioessman in Kisangani. "It's your place. It's yours. It can never be divided."

Congo is Africa's second largest country after Sudan, a third as big as the United States. By sheer size, location and potential for wealth, it is one of Africa's most important countries. But it barely ever existed as a state, either under Belgium's loose colonialism or under Marshal Mobutu's years of corruption and neglect.

More than 200 ethnic groups live in Congo. Roads are impassable. Kinshasa, in the west, is a capital in name only, its monuments crumbling and its hold over the east theoretical even before the war.

These days, the government grasps for ways, from songs to clothing, to unify the country and its people.

Few people have televisions. Along the eastern border, 1,600 kilometers (1,000 miles) away, people have bank accounts and use telephones next door in Rwanda. In the southeast, they gravitate philosophically to South Africa and mundanely, for services like mail, across the border to Zambia.

"The Congo should never have been one state," said Basil Davidson, an eminent Africa scholar. "It simply suited Belgian convenience."

Many experts argue that the war in Congo is essentially a stalemate, with each side unable to dislodge the other. Some fear that Congo's neighbors simply want to carve up the natioo and annex territory outright. Rwanda, for example, could then have an enclave of land populated by Tutsi as a way to prevent a genocide like the one in 1994.

Others see an economic motivation — the ability to plunder Congo's rich natural resources. Many of the nations who are taking sides in this war have financial stakes, according to Johan Peleman, director of the International Peace Information Service in Belgium, which studies financial incentives behind conflicts.

Mr. Peleman said that Ugandans — notably President Yoweri Museveni's brother — have gold mining and other business interests in the east. Angola has signed a joint venture with Congo's state oil company. The rebels claim that Zimbabwe's president, Robert Mugabe, has personal mining investments in the south and that the appointment of Mr. Rautenbach, the Zimbabwean transport executive, to head the state-owned mining company, Gecamines, is a payback for Zimbabwe. Mr. Rautenbach denies any political connections.

Private mining companies, Mr. Peleman speculated, could also sign contracts giving any of the players an incentive to keep the territory they hold — or at least let the war drag on.

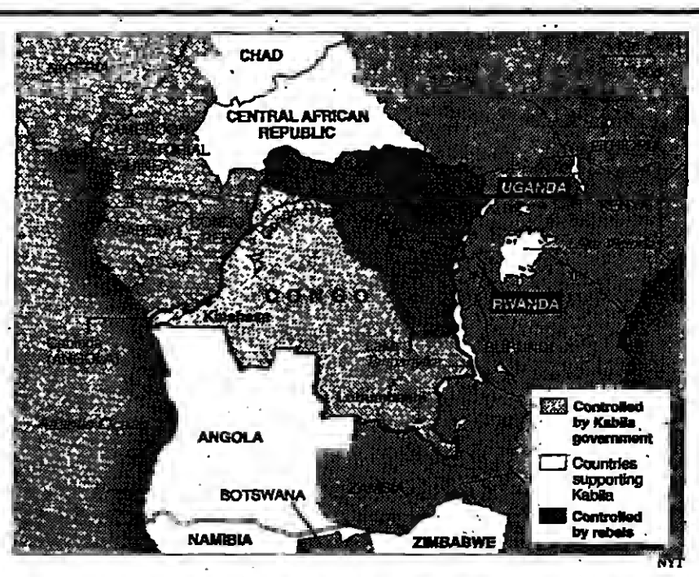
For all Mr. Mobutu's failings, Congolese and outside experts say, he gave life to a national identity even as the state itself expired.

Since the rebellion that ended with Mr. Kabila seizing power in May 1997, many Congolese express that identity sharply in terms of who they are not — that is, any of the six outside oations.

This sense of both nationalism and hostility seems strong, on either side of Congo's eleft.

In Kisangani, Ebony Badengo, 50, a bank manager, exploded when asked whether his nation could be cut op.

"This big country is good for us," he said. "The idea of partition is coming from other countries who want to get it. We would never accept that."



Brian Moore, an Emigré Author From Belfast, Dies in U.S. at 77

Reuters

BELFAST — Brian Moore, 77, one of Northern Ireland's best-known writers, died Tuesday in California after a short respiratory illness.

Mr. Moore won acclaim for his 1956 novel "The Lonely Passioo of Judith Hearne," which was turned into a film, and a string of other successful books.

Born and educated in Belfast, he emigrated to Canada in 1948 and became a journalist in Montreal. Later he settled in the Malibu area of Los Angeles.

His works included "The Emperor of Ice Cream," "The Luck of Ginger Coffey," "The Doctor's Wife" and "Black Robe."

John Cronin, a former professor of English at Queen's University Belfast, described Mr. Moore as "a wonderful story teller." He said the British writer Graham Greene had once referred to him as his favorite living aothor.

As an adult living in the United States, Mr. Moore revealed that he had "hated Belfast" and had no regrets about emigrating.

Gavin Relly, 72, Mining CEO

The Associated Press

JOHANNESBURG — Gavin Relly, 72, a former chairman of the South African mining and investment conglomerate Anglo American Corp., died Sunday of complications from minor heart surgery in a hospital near Cape Town.

Mr. Relly became chairman of Anglo in 1983 and served until 1990. He also held positions on the boards of sister companies, De Beers Consolidated Mines Ltd. and Minorco SA, and was chairman of Anglo American Industrial Corp.

In 1985 Mr. Relly led a pioneering group of South African businessmen that met with the then-banned African National Congress in Zambia to promote dialogue on the future of South Africa.

Strasbourg Ordered To Return a Klimt

The Associated Press

STRASBOURG — A civil court has ordered Strasbourg to return to its rightful owners a painting by Gustav Klimt that was looted during the German occupation in World War II.

The city of Strasbourg, which argued that it acquired the work in good faith, said it would appeal the decision, which was handed down Monday.

"Fulfillment" is oo display at Strasbourg's Museum of Modern and Contemporary Art, and is widely regarded as one of the collectioo's most important pieces.

Museum officials argued that they acquired the painting knowing nothing about its wartime past.

The court said it was "virtually impossible" for museum officials not to have known about the Klimt's past at the time.

CHINA: *Foreign Bankers Wary*

Continued from Page 1

ing concern's third-lowest rating. It is given when a company is vulnerable to nonpayment of debts.

Among companies like GITIC, owned mostly by provincial or municipal governments, there are several whose revenues are in yuan but whose debt is almost completely in dollars. According to Moody's Investors Service Inc., these include companies owned by the cities of Shanghai and Shenzhen, two of China's economic powerhouses, and by the government of Fujian Province.

Most of the foreign lenders to GITIC are banks from Japan, according to BasisField, a Hong Kong debt-tracking service. The top creditor is Dai-Ichi Kangyo Bank Ltd., it said, with loans totaling $61.2 million. The No. 2 creditor was reported to be Dresdner Bank AG of Germany, with loans of $60.75 million. No American bank was among the top 20 creditors on the BasisField list.

Neither S&P nor Moody's have downgraded the debt of banks who had loans outstanding to GITIC.

While China has not said that some foreign debt will not be backed up, its silence on the matter indicates that it wants bankers to begin evaluating loans based on real credit quality, not official connections, according to some analysts.

"Henceforth, the China story has to be predicated much, much more on a stand-alone credit basis," said John Woods of HSBC in Hong Kong. "I think it's caveat emptor. That's the watchword for investing in China."

In making banks wait for their money, Beijing has argued that foreigners should not be offended, because foreign creditors do oot necessarily get preference in other countries. That may be true, but as in much of the rest of Asia, China has no tested bankruptcy procedure.

"The problem with China's bankruptcy law is that the actual bankruptcy proceedings are shrouded in secrecy," said Nan Wang, a China bankruptcy specialist in Hong Koog with the U.S. law firm O'Melveny & Myers. "There are no published precedents."

Without much faith in China's court system, lenders have previously sought understanding through "comfort letters" indicating state "support" for loans to companies such as GITIC.

Not all lending to China has been similarly affected. The price of China's sovereign bonds, which are officially backed by the central government, dropped only slightly in price after the GITIC bankruptcy was announced, said a bond syndicator at a U.S. bank in Hong Kong.

STAGE/ENTERTAINMENT

TOMORROW: TECHNOLOGY

Adding Drama To the Voices

Bellini's 'Sonnambula' Revisited

By David Stevens
International Herald Tribune

LAUSANNE, Switzerland — Bellini's "La Sonnambula" has almost always been treated as a vehicle for bel canto display attached to a simple, if not simple-minded, story — yet one productioo brought Maria Callas, Leonard Bernstein and Luchino Visconti together in a memorable 1955 collaboration at La Scala.

The production just unveiled here also has both vocal attractions, with Natalie Dessay taking on the title role of Amina for the first time, while also offering an attempt to find some drama in the undramatie story of the sentimental complications that grow oot of the heroine's nocturnal wanderings.

The French coloratura is more in the lighter Lily Pons tradition with the role than the weightier approach brought to it by Callas or Joan Sutherland. But Dessay is the real thing, with a voice of bell-like clarity, allied to enormous agility and cootrol. Nor does she slight soch dramatic moments as the role offers.

The tenor Raul Gimenez as Elvino, the fiancé who suffers the repeated attacks of jealousy that help to keep the plot going, made a handsome partner, singing with lovely, pliant tone and a real affinity for the Bellinian melodic line. The bass Tomas Tomasson was the handsome Rodolfo, the count who returns to the scene of his youth and who helps to explain the sleepwalking phenomenon that baffles everyone else.

The program credits Cordelia Dvorak, the costume designer, with the "dramaturgy" as well. This consists mainly of dropping the Swiss village locale of the libretto, with its village mill and rustic locals. Instead, the chorus represents an elegant, alfresco wedding party dressed by Dvorak in the manner of the fashion designer Paul Poiret.

Ezio Frigerio's single set, handsomely lighted by Pascal Merat, shows an inviting woodsy landscape with an assembly of solid trees in the foreground, providing Waldemar Kamer's staging with the physical oecessities for the story, especially for Amina's high-wire somnambulism. Kamer's most striking, if gratuitous, idea was to have Count Rodolfo descend on the scene in a hot-air balloon.

Evelino Pido conducted the excellent Lausanne Chamber Orchestra with the supple but firm control of a musician at bome in this music. In other roles, Claire Larcher was aristocratic in bearing as Teresa, Amina's foster mother; Graziela Oddone was impressive as the waspish Lisa, who tries to captivate Elvino but settles for the Alessio of Marc Mazuir. Jerome Brunetiere sang the Notary, here transformed into the photographer of the wedding party.

The staging, which triumphed with the Lausanne public, is a co-productioo with the Bordeaux Opera, where it will be seen in Jnly, and with the Sao Carlos theater of Lisbon.

Marc Vanappelghem

Natalie Dessay, left, plays Amina and Claire Larcher is Teresa in Bellini's "La Sonnambula" in Lausanne.

Discovery in the Garden of Love

ZURICH — Hans Pfitzner, who died 50 years ago and who is known today almost exclusively through his rarely performed opera "Palestrina," has just appeared in the Zurich Opera's repertory with the Swiss premiere of the second of his five operas, "Die Rose vom Liebesgarten."

This opera has the curious history of having been inspired by a painting, Hans Thoma's heavily symbolic "Waechter vor dem Liebesgarten" (Guardian at the Garden of Love). The picture shows an armored knight with a spear, a calm lioo at his feet, standing watch at the "garden of love," in which draped women and undraped men comport themselves with leisurely ease.

This is where the opera begins — for garden of love read Paradise, with admittance to the elect and lofty minded. Siegnot becomes the guardian, but is seduced by Minneleide, a kind of queen of forest elves, and although he fails to get her into the garden, his death in the collapsing tnderworld eventually paves the way.

This is a gross oversimplification of a densely symbolic fairy tale. David Pountney — with Johan Engels as designer and Joergen Hoffmann for lighting — staged the work with an eye to unraveling its symbolism. Its descent through social levels is not unlike a trip from Valhalla to Nibelheim. The garden of the prologue is an antiseptic space peopled by the well dressed and high minded. Minneleide's realm is a steamy bourgeois boudoir. The night people live and work in an industrial wasteland. The rose of the title is a symbol of access to the garden of love.

It is hard oot to think of Siegnot as a kind of Parsifal who failed to get the message of Kundry's kiss, but it takes a Wagner to pull off this stuff, and while Pfitzner was a great Wagner admirer and a master of the post-Wagnerian orchestra, he was a very limited musical dramatist. Within a few years of this work (1901), Richard Strauss was on his way with "Salome" and Puccini's workshop had produced "Tosca."

Franz Welser-Moest conducted the score, for the most part with its transparent use of a large orchestra, with a sympathetic feeling for Pfitzner's sound world, and Francisco Araiza as Siegnot and Stephanie Friede as Minneleide headed a large cast with performances of heroic stamina and dramatic effort.

Good Guys, Bad Guys

Battle Over a Movie's Take on 2 Corporations

By Bernard Weinraub
New York Times Service

LOS ANGELES — What is it worth to a company to get its soft drink or sneaker prominently displayed in a big movie? Tommy Hilfiger, the clothing line, spent $10 million on a promotion campaign for "The Faculty," a Miramax/Dimension film for Disney about high school students (dressed in Hilfiger) who battle alien invaders.

By contrast, a new Disney film, "A Civil Action," may be the ultimate in reverse product placement. In a rare movie-industry moment, two giant corporations get prominent on-screen exposure as the major villains in the real-life story of the pollution of a New England town's water supply and the labyrinthine lawsuit by eight families that accuse the companies of dumping chemicals that caused leukemia and led to eight deaths, including those of several children.

One of the companies, W.R. Grace, reacted strongly to the film, kicking off a behind-the-scenes struggle over its portrayal during the making of the movie, even setting up its own Web site in November, *www.civil-action.com*. The other, Beatrice Foods, was largely broken up in the 1980s, and subsidiaries were sold off. Bot at one point in the film, the lead character, played by John Travolta, lists former Beatrice brands that are commonplace in millions of U.S. households: Peter Pan peanut botter, Tropicana orange juice, Rosarita Mexican food, Swiss Miss cocoa, Samsonite luggage, Playtex bras and Culligan water systems.

Even as the film was being made, W.R. Grace was sending letters and faxes to Disney lawyers expressing concern that the movie would repeat what Grace said were inaccuracies in the best-selling book by Jonathan Harr on which the film was based. The movie, like the book, is set in the 1980s and focuses on the obsessive efforts of a personal-injury lawyer, Jan Schlichtmann (Travolta), oo behalf of eight families in Woburn, Massachusetts, against the two corporations. Schlichtmann loses virtually all he has in representing the families.

Implicit in the exchanges, said ooe person involved in the making of the film, was Grace's hope to apply enough pressure on Disoey to fictionalize the name of the company in the movie. Disney refused to make any changes.

Grace has conceded making errors in its handling of the Woburn case, but it points prondly to its environmental record in recent years. Harr and the studio said they had never heard from anyone associated with Beatrice Foods or any of its components. Tropicana Products, for example, was sold in August to Pepsico, for $3.3 billion. The seller was Seagram Co., which purchased Tropicana 11 years ago for $1.2 billion from Beatrice.

Mark Gutsche, Tropicana's vice president for public relations, said it was far-fetched to link the company with the tragedy in Woburn. "Tropicana has an excellent environmental record," he said. Of the film he added: "I think people are very smart and realize it has nothing to do with us."

What has surprised executives and producers in Hollywood is that Disney, one of the more conservative and traditional studios, agreed with apparent little question to follow the book and name Beatrice and Grace. Movie studios, mostly owned by conglomerates like Disney, Time Warner and Viacom, generally shy away from controversial subjects and certainly avoid criticizing major corporations and businesses.

"It is unusual, I guess, for a big corporation to do this," acknowledged Joe Roth, chairman of Walt Disney Studios. "Maybe I shouldn't say this, but you doo't want to throw bricks if you live in a glass house. As a corporation, the more public you are, the more vulnerable you feel."

W.R. Grace reacted strongly to the film, kicking off a behind-the-scenes struggle over its portrayal.

The film adheres to the book in its allegations against Grace and Beatrice, which was involved through a subsidiary, a tannery run by a cantankerous Woburn resident named John Riley. Specifically, Grace and the Beatrice subsidiary were charged with dumping a substance called TCE, for tricholorethylene, on grounds near their Woburn plants, allowing it to seep into a well that supplied drinking water. The families charged that the contaminated water led to the leukemia deaths.

Shortly after the book was purchased by Disney in 1995, one of the producers, Rachel Pfeffer, who took the project to the company, thought briefly about changing the names of the giant corporations negatively depicted. "We thooght about it for five minntes," she said. "But then we oever gave it a whole lot of thought after that. If you change names, you have to start changing history. To be able to say this was based oo a true story was important to the filmmakers and the studio."

Steven Zaillian, the director and screenwriter of "A Civil Action," said that altering the names "oever crossed my mind." He added: "I knew there'd come a time when Disney would decide whether they would allow me to nse real names. It was their decision, finally. And my feeling was, even if they decided to change the names, everyone would know anyway. It would have been written about."

Pfeffer, Zaillian and another producer, Scott Rudin, said the studio's major concern was the so-called crawl, the text that appeared on the screen at the end of the film. Two Disney lawyers, Jack Yellin and Steve Bardwil, spent days working on the crawl and took into account letters sent by Grace to Disney about the depiction of the company.

"There were numerous faxes back and forth; I'm not exactly sure why," Zaillian said. "They wanted the wording to be very precise. They'd ask me what I wanted to say, I seot it to them. They'd review it, and sometimes they'd say it's fine, and sometimes they wanted a word or two changed."

The crawl begins by saying that a U.S. District Court judge, Walter Skinner (played by John Lithgow), had found that Joho Riley, who ran the Beatrice-owned tannery, deliberately concealed evidence at the trial. The tannery was torn down in 1990.

It also says: "W.R. Grace was indicted by the grand jury for making false statements to the EPA regarding its use of the chemicals TCE, acetone and tolnene. The company pleaded no contest to the acetone charge. Its Woburn plant was closed in 1990.

"Faced with the prospect of returning to court, the two companies agreed to pay their share of the $69.4 million in clean-up costs — the largest, most expensive project of its kind in New England history."

The crawl goes on to say that Schlichtmann settled his debts, got married and is now practicing environmental law, today representing 60 families in Toms River, New Jersey, in another contaminated-water case.

Pfeffer said W.R. Grace had "waged somewhat of n campaign with the studio." Sbe said the company had asked, in vain, to read Zaillian's script and to view the film early. The company had also takeo issue with some of the details in Harr's book.

In November, Grace set up the Web site, offering details of the company's clean-up efforts in Woburn. In a letter to the media on Dec. 17, Paul Norris, president and chief executive of Grace, said that "the pain and personal loss sustained by the Woburn families saddens us all."

He continued: "Looking back, we realize we made mistakes in how we addressed the coocerns of the Woburn community and the government agencies regarding our past waste disposal practices. We have spent the last 12 years working with the community and the environmental agencies to restore their confidence and trust. We've made significant progress."

Harr, the author, spoke evenly about Grace. "I honestly don't know much about Grace today. I thought their Web site was pretty temperate and pretty fair-minded. It's undoubtedly true that Grace is more conscious of environmental concerns as a result of two things: the case I wrote about and simply changing times."

BOOKS

DUANE'S DEPRESSED

By Larry McMurtry. 431 pages. $26. Simon & Schuster.

Reviewed by Christopher Lehmann-Haupt

IT doesn't seem at first as if Duane Moore is depressed in Larry McMurtry's bittersweet new novel, "Duane's Depressed," a sequel to his two earlier books set in the oil-patch town of Thalia, Texas, "The Last Picture Show" and "Texasville."

It's just that "it occurred to him one day — oot in a flash, but through a process of seepage, a kind of gas leak into his consciousness — that most of his memories, from first courtship to the lip of old age, involved the cabs of pickups." The passage continnes: "His long marriage to Karla, their four children, their nine grandchildren, his booms and his busts, his friendships and his few love affairs had somehow all happened in the few brief periods when be hadn't been in the cab of a pickup, somewhere in the Texas oil patch."

So "two years into his 60s," Duane one day decides to park his pickup in his carport, hide the keys on a high shelf in the kitchen and from then on "walk wherever he went." Thalia would get used to it, he thinks. "The county had slowly come to accept C-Span and compnters — in a few mooths they could probably be brought to accept a walker, too."

Bot Duane's action sets off "a hormone storm," as Rag, the Moores' family cook, puts it. Karla leaps to the conclusion that Duane wants to divorce her. The women of Thalia are gladdened, for Duane, popular enougb in town to be elected president of the school board and vice president of the Chamber of Commerce, will now be available to marry. And the reader braces for more of the sort of dark-humored farce that McMurtry has proved so adept at in his fiction, particularly the novels that have deprecated the bleak and isolated region where the anthor grew np.

At the edge of the plot of "Duane's Depressed," these expectations are fulfilled. Duane and Karla's four rampageous children overcome their problems with drugs and irresponsible lovers and take their acts to more worldly stages. The nine grandchildren begin to emerge as far-out characters on their own. (For instance, Barbi, Dickie's 6-year-old, announces that she wants to join the Mafia when she gets big: "It's my favorite thing in the whole world.")

Sonny Crawford, Duane's sometime buddy and rival for the love of Jacy Farrow, the town beauty, gets gangrene of the feet from sitting around too much in his convenience store. Jacy disappears in the Alaskan wild while filming a beer commercial; eventually an ice fisherman finds her bones.

Bnt the focus of the novel stays fixed on Duane, and through typical narrative sleight of hand on McMurtry's part, the farce is modulated into something drolly moving.

Once Duane starts to walk, he keeps on walking . . . away from his home, his family and his oil business to a getaway cabin he owns some six miles outside Thalia. There, his perspective subtly changed, he discovers that while he wishes his family well, he has "stepped out of the flow of ongoingness" and doesn't miss them in the least.

In stages cast off like the layers of an onion, he passes through boredom, anxiety, a Thoreauvian desire to simplify, an urge to clean up the landscape, a sense that he has wasted his life, until eventually he discovers that the competent and attractive daoghter of a storekeeper he begins to get his supplies from is, of all unlikely things in this desolate stretch of Texas, a psychoanalyst, Honor Carmichael M.D.

The second half of the novel is built around Duane's relations with Dr. Carmichael. Duane is indeed depressed, but he is many other things as well, and McMurtry continues skillfully to plumb his psyche layer by surprising layer.

A couple of slightly overloud ootes result from the collision of black farce with the more modulated comedy: a character whose outlook hinges on his despair over having lost one testicle to cancer; an exchange in which Karla asks a friend if she's ever heard of male menopause, and the friend responds that she hasn't, but she knows a lot of men who pause "just at the wrong time," and a waterbed that smells of fish *because, as it turns out, it is* inhabited by a catfish. And a shocking death occurs just a little too cooveniently.

Bnt "Duane's Depressed" holds steady at its core. In one typical diversion, Dr. Carmichael asks Duane to read Proust's "Remembrance of Things Past." There follows a comically sympathetic description of an intelligent but uneducated man struggling with a book that seems to him "an impenetrable mass of words." At one point he tries to speed-read it, but "the keyword technique that had been so helpful when reading Time was completely nseless when applied to the book be had in his hand. The sentences seemed to run on for pages — often he could not even find the verbs."

Eventually be completes the assignment and Dr. Carmichael explains that she wanted him to read it "because it's still the greatest catalog of the varieties of disappointments human beings feel."

We have come a long way from the oovel's slapstick opening to its nearly sentimental conclusion. Bnt thanks to McMurtry's sure touch, there isn't the least sense of disappointment.

New York Times Service

BEST SELLERS

The New York Times
This list is based on reports from more *than 2,000 bookstores* throughout the United States. Weeks on the list are not necessarily consecutive.

This Week		Last Week	Wks. on List
	FICTION		
1	A MAN IN FULL, by Tom Wolfe	1	8
2	BAG OF BONES, by Stephen King	2	14
3	RAINBOW SIX, by Tom Clancy	3	21
4	THE POISONWOOD BIBLE, by Barbara Kingsolver	6	11
5	THE VAMPIRE ARMAND, by Anne Rice	9	11
6	WHEN THE WIND BLOWS, by James Patterson	7	9
7	MIRROR IMAGE, by Danielle Steel	4	8
8	THE SIMPLE TRUTH, by David Baldacci	5	6
9	ALL THROUGH THE NIGHT, by Mary Higgins Clark	11	11
10	A NIGHT WITHOUT ARMOR, by Jewel Kilcher	10	15
11	CHARMING BILLY, by Alice McDermott	12	3
12	MEMOIRS OF A GEISHA, by Arthur Golden	13	59
13	HARRY POTTER AND THE SORCERER'S STONE, by J. K. Rowling	8	3
14	WELCOME TO THE WORLD, BABY GIRL, by Fannie Flagg		11
15	THE LOCKET, by Richard Paul Evans	15	11
	NONFICTION		
1	THE GREATEST GENERATION, by Tom Brokaw	1	4
2	THE CENTURY, by Peter Jennings and Todd Brewster	2	6
3	TUESDAYS WITH MORRIE, by Mitch Albom	3	64
4	*BLIND MAN'S BLUFF*, by Sherry Sontag and Christopher Drew with Annette Lawrence Drew	4	6
5	THE PROFESSOR AND THE MADMAN, by Simon Winchester	5	15
6	WE INTERRUPT THIS BROADCAST, by Joe Garner	7	4
7	THE DEATH OF OUTRAGE, by William J. Bennett		15
8	FOR THE LOVE OF THE GAME, by Michael Jordan	8	9
9	A WALK IN THE WOODS, by Bill Bryson	10	29
10	LINDBERGH, by A. Scott Berg	11	14
11	THE ENDURANCE, by Caroline Alexander	9	4
12	THE AMERICAN CENTURY, by Harold Evans with Gail Buckland and Kevin Baker	6	6
13	A PIRATE LOOKS AT FIFTY, by Jimmy Buffett	13	28
14	THE TEN COMMANDMENTS, by Laura Schlessinger and Stewart Vogel	15	16
15	CONVERSATIONS WITH GOD: Book 3, by Neale Donald Walsch	14	8
	ADVICE, HOW-TO AND MISCELLANEOUS		
1	THE GUINNESS BOOK OF RECORDS 1999	1	5
2	STEPS TO FINANCIAL FREEDOM, by Suze Orman	2	39
3	ONE DAY MY SOUL JUST OPENED UP, by Iyanla Vanzant	5	6
4	EMERIL'S TV DINNERS, by Emeril Lagasse with Marcelle Bienvenu and Felicia Willett	4	3

A Womanly Start to a New Year

By Sheridan Morley
International Herald Tribune

LONDON — If 1999 carries on the way it has started, the year will be a tough one theatrically for the male of the species. Five of them turn up in the first two plays of the season, Liz Lochhead's "Perfect Days" (Hampstead) and Shelagh Stephenson's "The Memory of Water" (Vaudeville), and all are an utter waste of space.

In that sense, I guess both oew prodoctions are of "women's plays," but intriguingly neither is any kind of feminist tract. Both plays are written within well-defined comic guidelines, both are traditionally well-made and both are clearly destined for some kind of afterlife on television, which is where either could have started as something between a serial drama and a sitcom.

Most Edinhurgh Festival hits make the long trek south over several months and end up looking distinctly hung over and often very fragile in the colder light of a Londoo winter, but the wonder of "Perfect Days" is that it is every bit as good as we were told it was from Scotland last August.

Clive Barda

David Calder and Penny Layden in "The Tempest."

In an elegant Glasgow loft lives Barbs, (the feisty and fiery Siobhan Redmond in what will clearly be one of the performances of the year), who has her own daytime televisioo slot and a highly successful hairdressing salon. What she does not have is a baby, and, approaching 40, she decides this has to be sorted out. A former husband of remarkable tolerance, a gay boyfriend, a college-age lover and a mother from hell are soon on the scene to aid and abet her qnest for motherhood in Lochhead's vital, funny and charming comedy.

No, "Perfect Days" is oot perfect, but in John Tiffany's productioo, what saves it from being a dire morality play is Lochhead's evident enjoymeot of ber characters and their various social and sexual predicaments.

The other "new" play of the week dates still further back, to Joly 1996, and also features a mother from hell, in this case dead, but omnipresent. This one comes from Hampstead, where Shelagh Stephenson's first script, the patchily brilliant "The Memory of Water," was first seen in a production by Terry Johnson. Two and a half years later, after a long regional tour, a new production comes into the Vaodeville, again directed by Johnsoo but with an all new cast, starring *Alison Steadman, Samantha* Bond and Julia Sawalha.

They are three sisters gathered at their old family bome on the Northeast coast of England to bury their cantankerous mother (Margot Leicester), who reappears periodically from beyond her shiny new coffin to make all their lives still more trooblesome.

"The Memory of Water" is oo "Blithe Spirit," but it is an intriguing throwback to all those plays of the early 1950s by Wynyard Browoe and N.C. Hunter, in which at some kind of family reunioo skeletons would tumble from every closet. Sure enough, these threc sisters, all of wbose lives have gone horribly adrift, turn out to have been bruised beyond belief by a maternal upbringing somewbere between Alan Bennett and Joe Orton, and the genius of Johnson's productioo is the way that it ends up in bleak, black bumor, drowning in its various admissions of familial guilt and relative failure.

The Royal Shakespeare Company, meanwhile, after two years of wbat seems to be some kind of artistic breakdown, has come into town to the Barbican with two productions, looking very sharp indeed, while out at Stratford oo the home stage a new "Winter's Tale" is also triumphantly hailed.

The Philip Voss "Merchant of Venice" has a sinewy strength and speed, while also oo the main Barbican stage Adrian Noble's "The Tempest" has a powerfully unusual Prospero in David Calder, who philosophically drives this staging through to new discoveries and map readings of an island that bas always been as sinister in its magic as the Never-Never Land of "Peter Pan."

There are also two strongly comic turns from Barry Stanton (Stephano) and Adrian Schiller (Trinculo) in two of the unfunniest jester roles ever written even by Shakespeare.

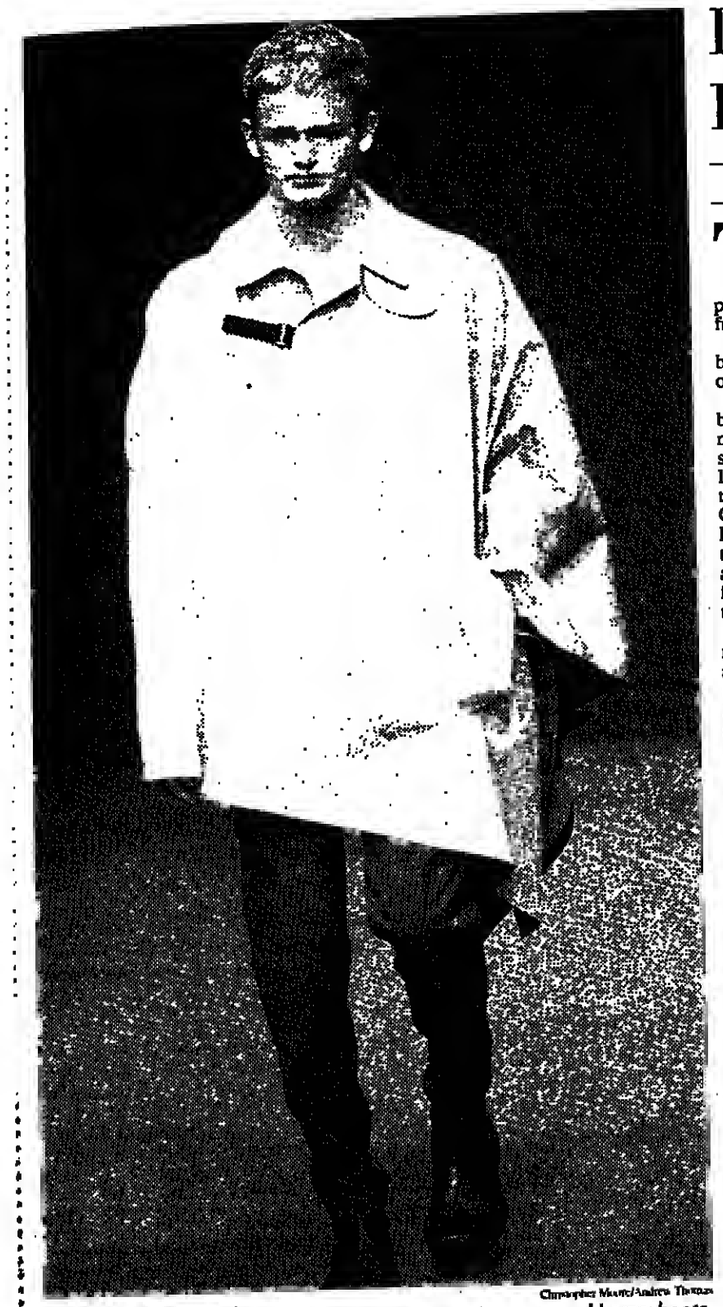
Nobody has ever donbted Noble's taleot as a director; the question is wbether be is also the producer who can pull the RSC back ioto some kind of shape before it fragments entirely into iodividual productions on a *wide variety of London and regional* stages.

These two Barbican transfers indicate that there is still a problem with talent in the middle and lower ranks of the company, and still another with verse-speaking (and even sometimes understanding); but they are the most encouraging start to a oew year that the RSC has had in a very long time.

LONDON THEATER

Men's Fashion

Function vs. Fantasy: Prada and Gucci Slug It Out



Christopher Moore/Andrea Thomas

Prada's urban-warrior cape with tab front, tacky pants and heavy boots.

LVMH Courts 2 Rivals In High Drama Offstage

By Suzy Menkes

THEY are the fashion titans of the 1990s. In one corner, a streak of blood red across the sleek hair, scarlet sequins dripping on the jacket and the crescendo from "Psycho" on the soundtrack.

On the other side, a khaki-clad figure, bag strapped to the chest, ready to stride out on biker boots into the urban jungle.

This war of two fashion worlds has been made more piquant with the announcement on Tuesday that Prada has sold its 9.5 percent stake in Gucci to LVMH Moet Hennessy Louis Vuitton, thus increasing the possibility that Gucci will be taken over by the French luxury-goods company. At the same time, Prada itself hopes to cooperate on an undisclosed basis with LVMH. Both factors have important implications for the fashion industry.

Gucci and Prada have come to represent two opposing fashion philosophies at the end of the 20th century: hedonism and optimism versus function and utility. Judging by their current menswear shows (viewed on-line and on tape), they have both entrenched their positions.

"I started with the same inspiration as last season: optimism, more color, more relaxed — not minimal, but the clothes worn in a minimal way," said Gucci's Tom Ford, referring to the white V-necked T-shirts that cooled down the rich velvet jackets and embroidered jeans or partnered the piebald fur coats and sleek suits.

Prada, by contrast, was strictly practical: flap pockets, omnipresent zippers, tab fastenings and a military palette of khaki, fawn, gold, ginger and brown. These clothes were not just sporty but ergonomic, with a sense that form and function are inseparable. Even the capes — one a military archetype in khaki with a red lining — looked like genuine outerwear.

"Protection is an important point and I wanted to make formal things more functional," said Miuccia Prada, referring to bicycle clips on workplace clothing and boots with everything.

Both houses are quintessentially 1990s in that they deal in items. That means that any piece, isolated from a powerful presentation, has a distinctive character. That might mean (since both are historically accessory houses) the footwear: Prada's biker-meets-hiker rubber-toed boots, showcased by pants cropped below the knee; or Gucci's square-toed, patent-leather shoes, catching the light like the oil-slicked hair. Ford sees the shiny feet as part of "the need to clean things up a bit."

But clothes are also used like accessories to highlight an otherwise simple outfit. These modern-minded designers have understood that the current look is never fastidiously put together and that the perfectly cut flat-front pant (Prada) or the ultimate leather jacket (Gucci) can be the compass point around which a wardrobe turns.

The blurring of clothes and accessories is underscored by Prada's latest hit: the "hands-free" bag built into a garment. Prada has developed a lexicon of signature pieces from the original, much-copied nylon bag. Now the body-bag has been developed for the fall season on the front of an anorak, at the waist or fitted under a jacket.

Sensuality rather than practicality is emphasized at Gucci. Tactile deep-pile fabrics like the iridescent velvet jackets still have a whiff of the hippies. Then there is the fur: patchworks of pieces forming a camouflage effect on a vest; fur collars, linings or splashy coats.

It can be ultra-cool to be low-key. Prada's aim is to blend luxury items — brown suit, gold suede jacket or even soft-as-silk track suits worn with elegant loafers — into the urban landscape.

You could spot the more showy pieces at Gucci, where the flower-decorated jeans have a Hollywood allure and where the red and green string belt looks like an instant status symbol. But there are also quieter classics: well-proportioned sweaters or blazers in felted cashmere to which Ford gave raw edges.

Reviewing the collections on-line, Prada's show looked meatier than Gucci's. But the significance of both collections is that they reinforce already strong images of houses that have marked the 1990s. If LVMH gets Gucci, and if Ford stays at the creative helm, the war for the hearts, bodies and feet of the luxury consumer can only escalate.

SUZY MENKES is fashion editor of the International Herald Tribune.

Christopher Moore/Andrea Thomas

Gucci's piebald fur coat with flower-patterned, embroidered jeans.

Jeans Makers Get the Blues as Sales Sag

Paul Gold

Sportswear with a military edge on a street in London.

By Roger Tredre

LONDON — Lunchtime at the giant new Community College of Hackney, in the heart of fashionable Shoreditch, east London. The students milling around outside the college entrance are much like students the world over. But with one difference: not one of them is wearing blue denim jeans. There are sweat pants, track pants, cargo pants, khakis, chinos and jeans-style pants in moleskin and corduroy, but no blue jeans and precious little denim. The uniform of the young for more than three decades appears to have performed a vanishing act.

Are blue denim jeans dead? Retailers and manufacturers fear the current slowdown is more than another temporary downturn in the cyclical jeans industry.

"You always get blips," says Alex Forbes, who runs three jeans stores in southeast England under the name Gasoline Alley. "But this time, we suddenly realized it was a lot more than a blip. This is seismic. It'll never get back to how it was before."

Industry observers agree. "It was like denim walked off the edge of a cliff," says Eric Musgrave, event manager of the London menswear trade show MXL and an authority on the jeans industry.

Sales of jeans across Europe have been falling in volume year-on-year since the mid-1990s. The year to mid-1998 saw a 5.5 percent drop across Europe. The downturn is particularly marked in Britain, where the number of men's jeans sold in the year ending November 1998 was down 11 percent.

The shift is affecting Levi Strauss, the world's biggest jeans maker. After a decade of steady growth, sales worldwide in 1997 dropped 4 percent to $6.9 billion. When the U.S. giant reports its 1998 figures next month, market analysts expect an even bigger drop.

Levi Strauss points to demographic problems: a decline in the number of 11- to 24-year-olds who are the critical trend-setting age group for the denim industry.

However, the company admits it has been slow to respond to shifting fashions, particularly the rediscovery of workwear. "The major task and challenge for us is to reinvent denim and denim jeanswear for today's youth market," says Robert Hanson, Levi Strauss vice president for marketing in Europe.

In a shake-up of its operation worldwide, Levi Strauss is redeveloping its business as a brand portfolio, with "consumer segmentation projects." In straightforward English, this means the company is working harder to find out how to make denim appeal to streetwise urban kids again.

The shift away from blue denim is particularly tough news for the old, established American brands such as Levi's, Lee and Wrangler. Simultaneously, their sales are also being squeezed worldwide by the growth of designer denim brands from names such as Calvin Klein and Tommy Hilfiger, and a myriad of cheaper, own-label store brands. Both are better positioned to withstand the downturn.

The American manufacturers have canceled millions of meters of denim orders. Factories from the United States to North Africa and Southeast Asia are either closing or converting to non-denim products. In Europe, Levi Strauss closed three factories last year in France and Belgium.

Pants in classic five-pocket Western jeans style are still best-sellers, say retailers. But the young no longer want them in denim, and certainly not in blue denim. "That's just so boring," says Ismat Shah, 22, one of the Shoreditch students, dressed in brown cotton twill cargo pants from the retailer Next.

"The kids see their parents wearing jeans and they want something different," says Eric Musgrave.

Cotton khakis are the big winner. In the United States, the growth of dress-down style in the office has given a huge fillip to sales of khakis, also known as chinos. Ironically, this trend has been promoted by Levi Strauss through its subsidiary brand, Dockers, launched in 1986.

Cargo pants, known as combat trousers in Britain, have also boomed at the expense of blue jeans. Back in the winter of 1997, they were adopted by the style-setters of London's Shoreditch. A year later, they are swamping the high street. Spotting an opportunity, retailers are working hard to improve design and fit. In the United States, Claiborne is launching a new cargo pant for this summer from refined twill and cut slim through the hip.

Can denim make a comeback? The success of cult labels such as Evisu suggests demand can be revived. "Denim needs to become special again," says Eddie Prendergast of Duffer of St. George, who sells several pairs of jeans a week, priced at £200-£300 ($330-$490), through his central London store.

Recent market information from Britain suggests a hint of revival in women's denim sales, led by dark blue jeans. "The downward spiral has continued for men's jeans, but has leveled off for women's jeans," says Sam Dark of FashionTrak, a market data supplier.

Designers are also continuing to experiment with denim. Names such as Nicole Farhi are working with new non-fading, denim-effect fabrics. However, most designers prefer the special qualities of the real thing.

"What's magic about denim is the way it fades with washing," says Olaf Parker of Burro, the British label. "For designers, that will always make denim a unique material."

ROGER TREDRE is a freelance journalist based in London.

Paul Gold

The big-pocket cargo pants have become the winning look.

Swimwear and Underwear: Suiting Up the Body-Conscious Male

By Rebecca Voight

PARIS — These are body-conscious times, but compared to women, men are still the timid sex when it comes to intimate apparel. Most men don't even buy their own briefs, their wives and mothers do it for them. For innovative men's underwear and also swimwear brands, the challenge is to create products with more style and comfort which are on the same wear and care level as the majors and then convince stores and men the difference is worth it.

Signs that men are ready for a more sophisticated approach are everywhere. The bodywear concept, where gym, swim, homewear and underwear are sold together as basic fashion, is gaining ground in men's specialty stores. The worldwide success of the U.S. designer Calvin Klein in men's underwear has led a score of other designers to try out the market from new collections like Italy's Alessandro dell'Acqua and the sport giant Adidas to Helmut Lang, who is expanding his underwear offer after launching his collection two years ago.

"I hated shopping for swimsuits," said the designer Tomas Maier. "They were always too bright. I never found what I liked."

Maier's new swimwear collection, which currently is making its debut, is primarily for women; but he has also included a small 12-piece men's group. "I didn't want to do a collection for men, he explained, "just products with luxury and the right details that correspond to a way of life like mine."

Maier's suits have style, but they're not fashion statements. He uses Lycra for well-cut basics and slightly sexy shapes. Colors like his muted olive for spring are designed to flatter the skin. The men's range has already been picked up by top international stores like Paris's Panoplie and Maria Luisa, Louis of Boston and Maxfields in Los Angeles, but he is not projecting rapid expansion. "Most stores depend on image," he said. "Very few can sell items on their own."

The bodywear concept, where gym, swim, homewear and underwear are sold together as basic fashion, is gaining ground.

A German, he divides his time between Miami, where his new company is based, and France, where his swimwear is produced and he consults for the fur maker Revillon.

"Swimwear seemed like a good start particularly for men, because it has been neglected," said Maier, who has spent the last 20 years designing in Paris for Rykiel Homme, and notably for Hermes womenswear where he gained his swimwear expertise.

Until recently most men, and the women who buy for them, simply took whatever suit the store had in stock and headed for the sun.

"The concept of different shapes for different bodies is well established in womenswear, but it is still new for men," he explained. "Most suits on the market are badly cut, extremely boring, or over the top."

The fact that sales clerks rarely bother to steer short men away from long-legged trunks hasn't helped matters.

"You can't always spot the problem, until you've tried the suit on," said Maier. "Some men's suits don't have enough rise in the back, or there is no proportional difference between the front and the back, which makes them look like diapers from the rear."

A visit to the men's underwear department of Paris's Galeries Lafayette is like a trip back in retail time when presentation was an unknown concept. Narrow aisles and racks stuffed with repetitive styles packed in nearly identical cardboard boxes with Bruce Weber-style masculine torso shots are mind-numbing.

Only a few maverick companies and the U.S. designer Calvin Klein have had any significant modernizing effect over the past decade on what men are wearing underneath it all.

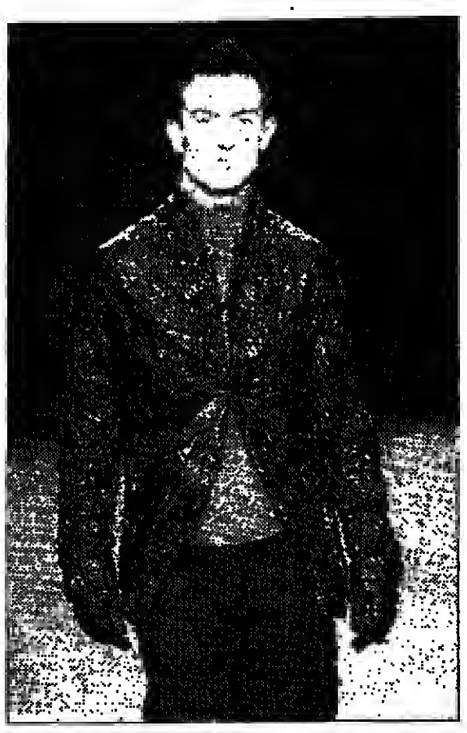
One major who has not lagged behind, however, is France's Hom. Its revolutionary horizontal HO1 has sold 1.3 million units since its worldwide launch in 1997. The Louvre's Musee de la Mode has acquired one for its permanent collection.

Hom's explanatory image for its packaging.

Continued on Page III

MEN'S FASHION / A SPECIAL REPORT

Dressing down



Casual but upscale is the message from Milan for the fall/winter season. From left: Cerruti's shirt jackets; Miyake's crumpled-fabric jacket; Alessandro dell'Acqua's jersey top; over-sweater from GFF by Gianfranco Ferre.

London: Scruffy vs. Suity

By Barbara Rosen

LONDON — Until recently if an Englishman's home was his castle, a navy pin-striped suit was his workday armor. But even in the land of bowler hats and furled brollies, age-old sartorial mores are changing. "Dressing down" at least one day a week at work has taken a firm foothold in many London offices, from blue chip industrial boardrooms to City of London investment banks and the Bank of England itself. And while it is far from universal, "casual Fridays" seem here to stay.

Some companies specify no jeans or T-shirts; for others, almost anything goes as long as you're not going out — which often tends to rule out dressing down among the higher-ups, who have proportionately more outside meetings.

At ICI group's headquarters on the banks of the Thames, even jeans have been okay on Fridays since last summer. "If I have a meeting with our chief executive, I'd be in a sweater — and I'm a vice president," says Martin Adeney, vice president for public relations. "There are plenty of sweaters around."

In the City of London financial district, you rarely see a bowler hat any more, although you still see "black shoes rather than brown," says one denizen. But on Fridays, in particular, more and more suits are giving way to jeans and chinos, topped by brushed cotton shirts or knitwear.

At Nomura International, everyone from senior management down has been dressing down on Fridays for at least the past three years, although they are periodically reminded not to come to work in jeans or T-shirts.

Bankers Trust International brought the practice over from its U.S. side about two years ago. And at Warburg Dillon Read, part of the UBS group, all employees can dress down at the office any day they want, although the majority still end up in suits because of constant external meetings, says an official.

And while the Bank of England's "gatekeepers" still wear pink tailcoats every day of the week, even there one internal department is dressing down, although a spokesperson wouldn't say officially which one, and added that the bank requires "that staff present a neat and businesslike appearance, avoiding extremes of dress."

"Scruffy" is how Adrian Hudson, general manager of Whittington's restaurant and bar, describes about 10 to 20 percent of his Friday lunchtime clientele. It's a "suity" kind of place, he adds.

Whittington's is near the London International Financial Futures Exchange, whose 3,000 workers have been dressing down every Friday for the last few months. Floor traders, in particular, who used to doff their bright uniform jackets and change back into suit jackets for lunch, now show up in jeans and "Ralph Lauren polo-type shirts," says Hudson. "They like to show off that they spent a lot of money on the shirt." He doesn't object, he says, because "we'd lose quite a lot of business if we did."

There are, of course, holdouts. "It's always been thought that that would not be the way to go," says a spokesman at Schroders, a bastion of British investment banking.

And many British businessmen still prefer wearing a suit to work and object to what some describe as the imposition of dressing down. "Clothing at work is a way of making distinctions," explains one retailer.

Others find it just too complicated. "There are some men who go from the sublime to the ridiculous" — suits at work and slobs at home, says Cheryl Kuczynski, corporate spokesperson for Marks & Spencer. For those men, a business suit is like a school uniform. It's easier.

Marks & Spencer, Britain's biggest clothing retailer, is finding that customers are buying more and more casualwear, says Kuczynski's counterpart on the fashion side. Like other retailers, Marks & Spencer cites a trend to casual dress going beyond the workplace, with non-suits now acceptable for dinner parties or an evening at the theater.

Despite the casual trend, Marks & Spencer and other retailers say suit sales are still going strong. Austin Reed, which has about eight stores in central London, has had success with a smart-casual line called Reed that was launched early last year. But suits are selling stronger than ever, says Roger Jennings, managing director. "Our customer base is primarily the 28 to 30 plus, the more managerial, the more affluent," he says. "Our view is that still at work it's important to feel right and to project your own business identity."

BARBARA ROSEN is a freelance writer based in London.

Tokyo: Cues From the West

By Kaori Shoji

TOKYO — It used to be that the Japanese male had two modes of dress: his dark business suit and his dark pajamas. This matched his lifestyle admirably. When he wasn't working, he was on the commuter train that took him to work. Any time left over was devoted to recovering from his work day. Besides, traditional male aesthetics dictated that he shouldn't care about dress. The fewer things he had in the closet, the better. Anything spiffier than a pair of ill-fitting jeans (and only if they were a holdover from college) by way of casualwear indicated that he was strange, different, not to be trusted.

Then came the '80s and with it a new male culture. With the advent of men's fashion magazines, from the enormously popular Popeye to classier material like GQ and Esquire, Japanese men were introduced to the joys of casual and attractive clothing like khakis, button-down oxfords, argyle socks, barn jackets and down jackets. Although much of this attire was new to them, they were urged by the media to put it on, buy an appropriately snazzy car and find a girlfriend.

Now almost 20 years later, Japanese men are being splashed by a second big fashion wave: the corporate dress-down. Taking their cues from the United States, many of the largest and most respected Japanese companies have relaxed their dress codes and designated Fridays as "casual day." Employees are urged to discard their suits and get creative. Where once dark blue or dark gray were the only colors deemed suitable for business, men now can choose from multiple shades of green and brown and even beige in the summer. Colored shirts, and colorful patterned ties, are acceptable. Men are also carrying backpacks and little bags that attach to the belt, in lieu of cumbersome briefcases.

As for shoes, men have become downright adventuresome. Black high-tech sneakers or comfortable wing-tips, loafers and even Doc Martens pound the sedate pavements of Tokyo's financial district.

Consequently, navy blazers are coming back with a vengeance, paired with plaid wool shirts or turtlenecks and gray flannels. The young and more fashion-conscious sport the military look which has been all the rage since last year — U.S. Army bomber jackets or field jackets, black T-shirts and cargo pants. The latter is difficult to carry off, however, unless the wearer works in the media or advertising, where the dress code has always been lax.

Most people, when confronted with the concept of casual, prefer to strike a delicate balance between aspiring to a Ralph Lauren ad and going out to the laundromat. The result: cotton pants, inconspicuous shirt or sweater, and a pea jacket thrown over all.

The dress-down trend has spawned one important change in men's looks — hair. Growing it out, and/or dyeing it, is no longer revolutionary but a matter of course. This is mostly thanks to World Cup and Olympic star athletes who sport long, colored hair. Ten years ago, the only possible haircut for a serious sportsman was closely cropped.

The streets have became dotted with yellow, orange and brown heads that are permed, tied back or even dreadlocked. Last summer, people toting briefcases and correctly turned out in every way were sporting the "Nakata hairdo," named after the soccer hero Hidetoshi Nakata: short, shaggy and sunflower yellow.

But while companies now allow plenty of room for experimentation, a good number of men still refuse to loosen up. The 40 and older generation sends wives (many of them abhor being seen in the embarrassing act of buying personal attire) to the huge discount outlets that sell business suits in sets of two, with an extra pair of pants thrown in.

But perhaps there is something else at play. "Salaryman" (company man) ethics favor battered shoes over new; dark colors over bright; polyester over natural cotton. Heavy briefcases reign supreme. It would never do for a man to look too good or be too comfortable, especially now with the stock market in its present state. Men must look dark and seamy if only in deference to the times and the clients.

Thirty years ago, securities salesmen were ordered to wear a wool jacket in the steamiest summer weather when visiting clients, so that sweat stains formed large blotches on the back and under the arms. This was how they made their appeal of sincerity and dedication. Today, the practice still stands. Men's dress in Japan still has a long way to go.

KAORI SHOJI is a freelance journalist based in Tokyo.

Paris: Sporting Chic

By Pat McColl

PARIS — Call it fallout from the World Cup. In the past, French menswear stores were all about refined elegance. Now, for "urbane" read "urban" as the new generation of boutiques is about specific active sportswear crossing over to become streetwear.

This season's prime example is the brightly colored boxy jacket in waterproof polyester Oxford from Aigle, immediately identifiable by the squared off "1853" logo on the left sleeve. Introduced three years ago, the jacket was designed as nautical sportswear but instead of heading for the open seas, it hit the streets. To date, more than 100,000 have been sold.

For menswear designers like Nino Cerruti or Patrick Lavoix at Christian Dior, it is more than just the inspiration of these sportswear pieces. As Cerruti says, "The attitude has changed with a wider and wider adoption of the casual mood working in the direction of the style of our time."

Headquarters for the most innovative attitudes toward urban streetwear is Le Shop at 3 Rue d'Argout. The shop's director, Xavier Barotin, claims that much of the impetus for this phenomenon comes from hip-hop or techno music as well as newer city sports like roller-skating and skateboards.

"Everyone wants to look dynamic, young," he comments. "When a name like Yves Saint Laurent uses electronic jazz in his TV commercials, or Prada says it is getting into active sportswear, you know a page has turned."

Le Shop is almost a mini mall with 25 different collections individually showcased on two levels. What most of the labels have in common is a "techno" approach to fabrics, from oiled denim jeans for the biker crowd to a featherweight down coat lined in an "anti-freeze" material to waterproof jogging pants. Everything zips or snaps apart with velcro closings while jacket pockets are specifically designed for mobile phones. Colors are dominants of grays and blacks.

Most of the customers arrive clutching motorcycle helmets. Others roller-blade through the brick-floored store to check out the latest in skate shoes. Customers pick up on other sporty references in tennis gear-sized duffel bags, mountaineer backpacks or thick-soled hiking boots.

"In the beginning, we were there to shock," says Barotin. "Now, it seems normal that these active sports looks — from the infinite variety of athletic shoes to baseball caps — have become city style."

"Much of what Le Shop sells used to be defined as 'weekend clothes,'" commented a young menswear designer. "That definition no longer exists."

Quiksilver, which specializes in surf wear and snowboarding, just opened a 500 square meter boutique at the end of last year at 30 Avenue des Champs-Elysees. A second Quiksilver opens on the Rue de Rivoli at the end of January.

Surfing on the Champs-Elysees? "No," says Catherine Damien, boutique manager, "we are not promoting surfing on the Champs-Elysees. What we are about is 'street style.'" Pointing to the huge Paris Saint-Germain boutique just across the avenue, she adds: "But then, one doesn't play football on the Champs-Elysees either."

Yet another newcomer to this rapidly growing array of sportswear as lifestyle is an Italian firm, Napapiji, which opened a boutique in the Village Royal, just off the Rue Royale, two months ago. Through its clothing, it projects an ambience of the polar north with, as its signature, the Norwegian flag. Founded 10 years ago, Napapiji — Finnish for the Arctic Circle — originally made only backpacks and oversized duffel bags. The clothing part of the collection, much of it in techno fabrics like a tear-proof nylon with the look and feel of cotton, was added six years ago.

Inuit sculptures and a huge oil painting of a polar expedition on loan from a museum in St. Petersburg add to that far north image.

Elsewhere in the city, these sports-oriented boutiques are popping up faster than designer ones on the Avenue Montaigne. One of the biggest, still on the drawing boards, is a 5,000 square meter Printemps Sport store, which the department store will open in September 2000.

High-end menswear designers are racing down the same sporty track. At Christian Dior, designer Patrick Lavoix calls his mixes: "the comfort factor" as he layers a down parka, instead of a traditional topcoat, over a classic suit.

The Dior difference is in the jacket's luxurious quilted wool fabric.

"Casual chic is very much of a mass lifestyle now," said Nino Cerruti. "Why can't a man look as smart when he's casually dressed as when he dresses up?"

PAT MCCOLL is a freelance journalist based in Paris.

Christian Dior's quilted parka vest is layered over a suit in what the designer Patrick Lavoix calls "the comfort factor."

President Jacques Chirac of France sporting a parka as he opened a drive by the charity Restos du Coeur last month.

Suiting Up New Male

Continued from Page I

with perforated lines over its patented horizontal fly, explains its easy access difference, offering the first common ground for briefs until now divided by left and right-handed dressing. The blend of cotton, modal and Lycra is hypoallergenic, reduces humidity and is, the company insists, extremely comfortable.

"Working on style within such a small space fascinates me," said the designer Stephane Plassier, whose brand Stephane Plassier Dessus Dessous is one of the rare new names to produce underwear for men. Plassier designs objects for the home and works on event conception and scenography for museum shows as well as clothes. He thinks of underwear design as more invention than fashion.

"It's a job for Raymond Loewy," he said, referring to a celebrated French industrial designer who made major contributions to that field in the 1940s and 1950s.

At his store in the Marais section of Paris, Plassier sells primarily underwear and bodywear for men. "This is traditionally a gay neighborhood, but now about 60 percent of our clientele is women," he said. He also has a corner at Galeries Lafayette and recently registered the highest progression in sales in the men's department.

After design stints with the big brand Eminence and others, he has sifted through the advantages of both mass- and design-driven collections and thinks that he has now found the right balance.

"Men's underwear must be comfortable for men, easy care for women and timelessly fashionable for both," he explained. "The mistake designer brands make is thinking anything goes. All those details like double layers and piping sacrifice comfort for fashion. Most designers end up being only marginal, or dropping out of the market after awhile."

Plassier's current collection is based on an idealized image of the '30s, even though he points out that the real '30s was more about itchy handknit swim trunks than the streamlined forms in his collection.

Key is his fabric research with the synthetic fiber division of Du Pont ranging from this winter's blend of wool, silk and Lycra to a new Lycra piqué that looks like a Lacoste top and next winter's Lycra blend with wool and cashmere for bodywear.

At the small Paris specialty store Panoplie, the buyer Jean-Louis Beaumont says most of what he has seen is either too gimmicky or poor quality.

"I was the first to buy Helmut Lang's underwear because other stores here considered it too inexpensive and basic," he said, "but that is just what my customers appreciated." Lang, who originally worked with a traditional Austrian knit underwear specialist, has scored with his ribbed cotton knit boxer brief.

OTHER styles in his collection, says Beaumont, could practically double as swimwear. Panoplie also carries Britain's John Smedley, which has been in business since 1784. With sizes and styles only slightly adjusted for fashion, the traditional brand has become the new cool body basic for men who are into Gucci and Prada.

Sports Locker in London's Covent Garden carries an astonishing 15 underwear brands.

"Department stores come in here frequently searching for what is next," said the owner Graham Hanes.

The store was among the first in Europe to carry Calvin Klein back in 1982, and it remains a best-seller. American brands like Polo Ralph Lauren and Tommy Hilfiger, 2(X)ist or the new Papi, which takes its image from rap music and has a strong Latino following in the United States, are the store's best-sellers while European designer brands lag behind.

Newest on the market, says Hanes, are sport names like Converse and Adidas or Sweden's Bjorn Borg.

"We began with underwear as a way to get men to spend a little more, but it is a big draw today," said Hanes. "Men have become much more aware of their bodies because of working out. Underwear tends to merge with homewear and gymwear. It's all part of showing off."

REBECCA VOIGHT is a freelance journalist based in Paris.

MEN'S FASHION / A SPECIAL REPORT

A Peaceful Revolution for the French Male

By William Middleton

PARIS — Nothing less than an avalanche of design talent has poured into Paris fashion in recent years, sweeping aside long-standing traditions and reenergizing even the most conservative French houses. But the revolution that has transformed womenswear — led by John Galliano at Christian Dior, Alexander McQueen at Givenchy and Alber Elbaz at Guy Larochе — has largely bypassed menswear. While Galliano pushes forward the image of Dior with spectacular shows and over-the-top creativity, his menswear counterpart at the house, Patrick Lavoix, sticks primarily to suits.

The Italians, however, led by Miuccia Prada and Tom Ford at Gucci, have shown how creative excitement in menswear can energize an established house. From rhinestone-studded underwear at Gucci to velcro-fastened hooded jackets at Prada, Italian menswear, backed up by aggressive advertising campaigns, packs just as powerful a punch as its womenswear.

And although there are some early signs of life in the French menswear establishment, primarily Marc Jacobs at Louis Vuitton and Hedi Slimane at Yves Saint Laurent, most French houses have a long way to go to catch up with their female counterparts or their rivals on the other side of the Alps.

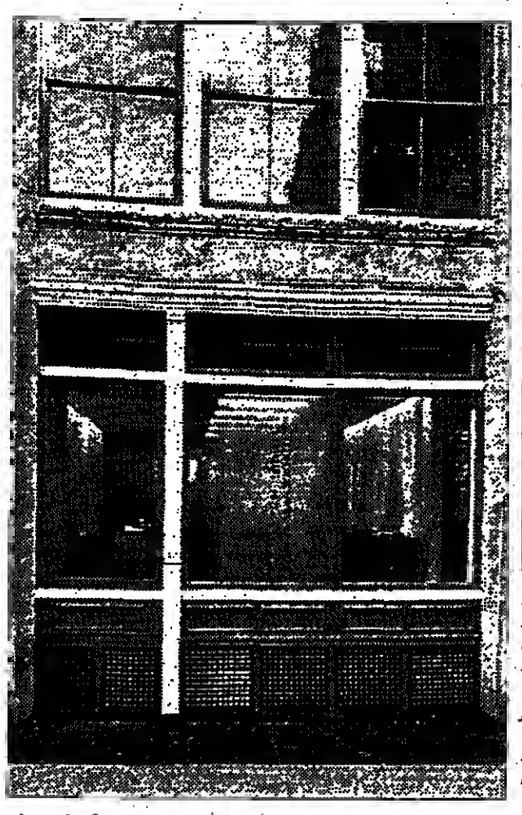
A vivid example of the dilemma facing French menswear can be found in one celebrity couple. The actress Nicole Kidman has been a very visible fan of the revitalized Christian Dior, attending the opening of the Paris boutique last winter and wearing one of Galliano's evening gowns to the Oscars. Her husband Tom Cruise, on the other hand, prefers Prada. While it makes perfect sense for a stylish actress such as Kidman to favor a French couture house, it seems just as logical that her equally stylish husband would buy Italian.

"For the moment, unless he wants a tuxedo, he's not our target customer," Christian Dior's president, Sidney Toledano, says of Cruise.

Toledano says that Dior menswear has remained traditional because men are inherently more conservative than women.

And he feels that Prada and Gucci can be more creative because they target a younger customer. Although he refuses to be specific, Toledano suggests that Dior might be moving in that direction. "The 25-35-year-old market does have to be considered," he says. "And we are thinking about it."

The president of Lanvin, Gerald Asaria, is convinced that any change in menswear direction must be gradual. "In women's, you can have a revolution every six months. In men's, where the foundation remains a pair of pants, a jacket and a shirt, the room for maneuver is much smaller."



Hedi Slimane, Saint Laurent's innovative menswear designer, recognizes that there are limits to how far men's fashion can be pushed. At left, the exterior of Saint Laurent's new boutique in New York.

Asaria notes that, with 240 million francs ($42 million) in international sales, Lanvin menswear accounts for some 70 percent of the house's business. "It is easier to do more creative menswear for houses like Prada and Gucci because you don't have the existing clientele for more classic pieces," he adds.

Lanvin first began addressing a younger market in 1995, when it introduced Lanvin Studio to complement its classic menswear line. Asaria points out that 80 percent of menswear sales at Lanvin are from classic merchandise, with sportswear and Studio making up the remaining 20 percent. "Our objective is to have 60 percent classic, 20 percent Studio and 20 percent sportswear," he noted.

The closest that Hermes president Jean Louis Dumas will come to discussing the target age of his clients is to quip, "Hermes is the Tintin of luxury; like the books, we're followed by everyone from 7 to 77 years old."

Dumas sees no difference in strategy between Hermes womenswear, now designed by Martin Margiela, and its menswear, designed for the past 10 years by Veronique Nichanian. "The goal of our ready-to-wear is to evolve without violating the spirit of the house, to develop but not betray Hermes," Dumas says. "And the public is following Veronique's small, peaceful revolution just as well as Martin's big, peaceful revolution."

Although it is never peaceful revolutions that generate the headlines, that doesn't matter to Hermes. With raglan-sleeve deerskin jackets, unlined three-button suits or linen shirt-jackets in muted colors, the emphasis at Hermes is on a quiet kind of luxury.

At Hermes's luxury rival Louis Vuitton, the designer Marc Jacobs, whose work for the house first hit stores last January, was convinced of the need to come on strong from the beginning. He also felt strongly about the importance of targeting both men and women. "Louis Vuitton had never done men's or women's, so if you're going to start something, you might as well start it big," Jacobs says.

Having quickly attracted such stellar clients as Jack Nicholson, Philippe Starck, Lenny Kravitz and Steven Meisel, Jacobs is convinced that the time is right for taking risks in menswear. "Menswear is in fashion right now because men are much more fashion-conscious. Whether they are aware of it or not, men now have much more exposure to style."

While Vuitton has plenty of classically conservative suits, it also offers more adventurous looks such as zip-front sweaters in thick cashmere and hooded sweatshirts deluxe.

At Yves Saint Laurent, the president Pierre Berge traces his desire to relaunch menswear to the time when other houses began picking up on the strong shoulders and pinstripes of vintage Saint Laurent. "I wanted to regain control of the image of Saint Laurent menswear because of Tom Ford and others like him," Berge explains. "I saw that Saint Laurent was being copied everywhere while we were doing nothing. So I said, 'Okay, we'll do that.'"

In 1996, Berge hired the young French designer Hedi Slimane to take over Saint Laurent menswear. Slimane's original concept for Rive Gauche Homme came from the larger-than-life founder of the house. "The first idea I had was to project the personality, the myth, of Monsieur Saint Laurent," he explains.

To translate that into clothing, Slimane went back to the original intent of Rive Gauche Homme. "I had a perception of Saint Laurent Homme that was very conservative, and it was fascinating to learn that the beginning, in 1969, was not conservative at all. It was very strong, very contemporary, worn by opinion leaders, a line that Saint Laurent wanted to make for himself and his friends. It was less about suits than luxury sportswear. Over the years, it became more classic and the original idea was lost. So the idea of Rive Gauche now is to go back to the original principle."

Slimane's work for Saint Laurent, from safari dress shirts in sheer cotton to peacoats in off-white mink, has caused something of a sensation.

Nonetheless, he is aware that there are limits to how far menswear can be pushed. "There is still the situation that changing the number of buttons on a jacket can create a scandal," Slimane says. "That's something I find completely unbelievable. But generally, men were reluctant to take risks for years. Now, they seem a little more eager."

WILLIAM MIDDLETON is a freelance journalist based in Paris.

Nylon strap-on bag by Mandarina Duck is among new items that are changing look of accessories.

A New Mood In Accessories

By Lucie Muir

MILAN — Italian menswear designers are about to blow your socks off with a new range of luxurious yet functional accessories. From customized shoes to strap-on bags and wrist purses, men will never look the same again.

In a strategic move, Italy's ready-to-wear designers are investing in bigger accessories collections to boost their revenue. As a result, the men's accessories business is set to become fashion's fastest-growing niche sector as clothing brands come full circle with a range of head-to-toe products.

In summing up the new mood, Elizabeta Canali, advertising director for the menswear label Canali, said, "Accessories were born as a compliment, now they are a fundamental necessity to a company's business."

And to prove it, Canali is adding new accessories each season. When Canali's Milan flagship store opens in April, plans are to unveil its first hand-finished shoe collection as part of a pilot scheme.

Elsewhere, designers have been quick to open stores on a global scale to accommodate their accessories collections, like the luxury goods label Gucci, which continues to invest in men's accessories with new shop openings and refurbishments. Last year it opened three men's accessories stores in Japan and one in Hong Kong, while another is set to open in Tokyo later this year.

Gucci sales of men's accessories brought in $120 million in the first half of 1998. According to Gucci's creative director, Tom Ford, the rise of men's accessories is due to a new breed of consumer. "Men are spending more money on themselves and their image. They are no longer afraid of looking vain and are continually discovering the art of looking good and sexy," Ford said.

Looking good, meaning in a more personalized way, and to meet the new trend, menswear designers are hoping to attract more customers by adding a made-to-measure accessories service to their new stores.

According to Andrea Ciccoli, a business consultant at Bain Cuneo Associates in Milan, "Clients are asking for customized accessories, thinking that good service is more important than the actual product."

One name that has been quick to see the potential in customized accessories is Brioni, the Rome-based suit maker, which has included a made-to-measure accessories section in its new Milan flagship store. Now customers can pick and choose the height of a shoe, the buckle on a belt or put their initials on cashmere socks thanks to an inside team of specialized craftsmen.

Brioni's managing director, Umberto Angeloni, said, "We have seen the potential of customized accessories at a time when a return to elegance and the need for details has become so important."

FORESEEING the threat to business as more and more big brand labels move into accessories, the specialist neckwear designer Tino Cosma has been customizing ties since 1990. From Milan, Cosma designs ties for statesmen and presidents. President Bill Clinton wore a Cosma tie on Election Day, 1992.

"When the big names do well, it is only natural that their future will have an effect on the smaller, more specialized accessories designers. We just have to offer better service, and more beautiful ties," said Cosma, pointing to his latest special edition tie collection. It is made from silk and pure gold threads with zodiac motifs. The ties cost $200 a piece.

The price may be high, but men, it seems, are prepared to pay in the name of luxury. Take Gucci's new sneakers made in a mix of butter-soft calf skin and fabric and Loro Piana's scarves made from pure strands of vicuna hair.

"The current trends are very much in luxury," confirmed Gildo Zegna, CEO of the men's clothing and textile group, Ermenegildo Zegna, whose latest ties and socks are spun from top-quality cashmere.

"We are working on details and innovative new materials to suit the business traveler who demands performance and functionality in what he carries and what he wears," said Zegna, noting that its first collection of small leather goods and travel cases will come out next fall.

But if some designers have their way, men will soon be dressing like urban gladiators in a range of functional accessories designed to withstand the elements.

At Mandarina Duck, the Bologna-based accessories and clothing label known for its technical fabrics and modular designs, bags strap on to the front of the body like bulletproof vests.

The company's design team has had to streamline men's accessories to suit demand. "Men want simple, easy-to-use accessories," said the company's international marketing manager, Elena Moretti. "They [men] don't want too many devices in an accessory, but they do want lots of pockets," she said, noting that a new line of detachable bags has been developed for the Ducati motorcycle company.

At Etro, the Italian luxury label, demand for men's accessories is so strong that a separate team of designers has been assigned to the menswear collection.

Under the watch of the creative director, Kean Etro, the final touches are being made to shoes and bags in its new sports line and a range of accessories are being developed to protect the wearer from electromagnetic waves that leak from mobile phones and computers. This capsule collection of hats, gloves and even chest shields, made from the same membrane fabric that covered the Voyager space probe, will be presented at the fall edition of Milan's computer and technology exhibition, Smau.

Said Etro, "I like the '90s more than the '80s. You have to confront design issues in a more methodical way. The real challenge is to renew accessories intelligently with a high function factor."

LUCIE MUIR is a freelance journalist based in Milan.

Paris Hip-Hop on a Roll

Dance Moves From the Street to Stage

By Alicia Drake

PARIS — In a whirl of baggy cords and balding trainers, the dancer Tamaki Toriyabe is dancing hip-hop. He flicks his body about, spins continuously, then snaps a somersault in the air with no apparent concern for vertebral limitations. Taking a break from rehearsal, he says: "It's like this. In New York, hip-hop dancers make their living from doing videos. In Japan, they make money from dancing at the nightclubs, while in Paris it's from the theaters."

When hip-hop first hit Paris in 1983, the story was very different. Back then it had arrived direct from the Bronx, an exuberant black culture born on the streets and comprising rap stars, break dance, DJs, graffiti graphics and matching attitude. Rock Steady Crew and New York City Breakers were the dance heroes, Adidas the clothing brand, and kids hung out all day on the street, break dancing on the platforms of the RER suburban trains, spinning in the shopping malls.

Then toward the end of the 1980s, hip-hop dance fell from grace in France and went underground as media and youth attention turned instead to performance sports such as snowboarding, surfing and in-line skating. Now it is enjoying a revival, thanks in part to the rather unlikely patronage of French theater. For while in the United States, freestyle dance crews such as the Mop Tops and the Jamaican star Bruk Up get their breaks in pop culture, in Paris hip-hop crews are fusing the club scene with the cultural establishment.

Take Toriyabe, 23, and Japanese. He is regarded as one of the city's stellar hip-hop dancers and is credited with introducing house dance, a flamboyant, sensuous derivative of hip-hop, combining African, jazz, tap, marange, capella and salsa influences, into Paris. He is as likely to be found "getting busy" on the dance floor at club night "Respect" at Queen on the Champs-Elysees, as performing at a high profile French theater (last month he danced at the Opera Bastille, next month he appears with his crew called Ykanji at the Centre National de la Danse).

The irony is that what started off here as a subcultural street movement is now show-biz bound. "Before hip-hop, dancing in France was about dancing in the street full stop," says the contemporary dancer Blanca Li, who has just choreographed a mix of urban dancers, skaters and a BMX biker for the Suresnes Cites Danse festival (which starts Friday and runs until Jan. 31) in a piece entitled "Macadam, Macadam."

"Now most of these dancers have aspirations beyond that. They still meet on the street and come up through the street, but they want to become part of a company, put on their own show, get on stage. More and more, hip-hop is becoming institutionalized and part of the accepted dance world," she said.

For their part, French theaters, such as Paris Villette, Suresnes, Opera Bastille and the Centre National de la Danse, are eager to showcase hip-hop. For a start, it pulls the crowds. "They can't fill the theaters showing traditional, classical dance," says Toriyabe. "And more and more people are getting into hip-hop. It attracts a young, new crowd."

As a form of dance, it is accessible, high-energy, and it is not hard to imagine why a guy in a Nike T-shirt, breaking to the sounds of a pumping drum beat is more relevant to your average 18-year-old than a man in a pair of white tights doing pirouettes.

Olivier Meyer, director of the Theatre de Suresnes, is one of the pioneers of hip-hop dance in French theater, having launched the Suresnes Cites Danse festival of urban dance six years ago. "Certainly these types of shows renew the audience. You get people who have never been to the theater before coming," he says. "The Suresnes Cites Danse attracts around 6,000 people, 70 percent of whom I would say were aged between 15 and 25. Normally, our audience is more like 70 percent aged over 40."

He also cites cultural financial grants from the state as a further hip-hop incentive and, of course, its artistic value. "These dancers have an energy, authenticity and risk-taking that few other dancers possess," says Meyer. "Nowadays, the audience wants action."

Charley Gallay/HT

The 10-member dance group Macadam practicing at the Theatre de Suresnes.

Theaters are not the only ones seeking credibility through hip-hop. Less macho than rap and so far less exposed, fashion brands are taking an interest. In Paris, Adidas, which still reigns as the cult brand among dancers here, sponsored two French crews during the World Cup who performed at the Trocadero across the river from the Eiffel Tower. They have also just dressed the crew for "Macadam, Macadam," and, according to the urban product manager Jean Grandy, "It is because it is a youth phenomenon which is still underground, not mass market nor overmediatized, that it is interesting for us as a brand to be involved."

By contrast, in the United States, the fashion trend for dance is already on a roll with jeans brands such as The Gap and Pepe Jeans rushing to choreograph a slice of break dancing into their advertising or dress a hot dancer in a suitably happening video.

Tommy Hilfiger, who has built his brand on a mutual admiration trip with hip-hop culture, has been dressing dance crews, including the Mop Tops, for the past three years. During that time, Peter Paul, freestyle dancer and Tommy Jeans style coordinator, has seen a radical rise in profile for hip-hop dance.

"A couple of years ago, it wasn't so cool for a group to have dancers," explains Paul. "Then Puffy [rap star Puff Daddy] glamorized dancers, made them look really cool again. Similarly, before dancers were never that fashion-conscious. They didn't care what they wore. Now they feel they have got to look as good as the front man."

ALICIA DRAKE is a fashion and style writer based in Paris.

Stylish Glossies With a Russian Accent

By Joseph Fitchett

PARIS — The pace-setting men's fashion magazines in the 1990s — Face, Arena and I-D in London, Details in New York, Vogue Homme in Paris and look-alikes in every European capital — shared a graphic style of cropped images, in-your-face titles and photo spreads. The new page styling obviously fits streetwise fashions, but its visual sophistication owes much to the Constructivists, an avant-garde movement that flourished briefly after the Russian Revolution and radically modernized the graphic environment of the century.

"Printed words are seen, not heard" was the manifesto of El Lissitzky, the leading Constructivist poster designer. He sought to mix images and text like visual bullets. "Thoughts should be expressed optically, not phonetically," he decreed. "A sequence of pages is a cinematic book."

Applied by the Bauhaus, this compelling formula came to America mainly through Alexey Brodovitch, a Russian émigré who was the art director of Harper's Bazaar from 1934 to 1958. With no formal training, Brodovitch spent the 1920s in Paris, mixing with Man Ray, Andre Kertesz and other photographers, then went to New York, where he freed the new graphics from its dogmatic origins and used it for expressive page designs that sharpened Americans' visual taste.

Edimen Avedon

Alexey Brodovitch starting a photo spread for Harper's Bazaar.

Fashion magazines had finally scrapped hand-drawn illustrations in favor of photography, and Brodovitch nurtured a generation of major talents, including Richard Avedon and Irving Penn. Along with its archrival, Vogue (whose art director from 1942 was another Russian émigré, Alexander Liberman), Harper's Bazaar informed this brilliant moment of American high style, resurrected in facsimiles of his pages in "Alexey Brodovitch," published by Editions Assouline.

The business of Harper's Bazaar was womenswear, but Brodovitch's pages conveyed an image of male elegance, too — usually embodied by men in well-cut, well-worn suits. This role model fit an era — almost unimaginable only 40 years later — when the key cohort for male fashion was men in their 50s.

Brodovitch's personal taste ran to dandyism, epitomized by a long jaunty cigarette-holder that magnified his gestures or concentration. A generation ahead of the unstructured look of the 1980s, his own soft jackets were worn with long-collared shirts, minimally starched.

Like many dandies, Brodovitch felt that men always look good in uniform, a nostalgia that produced witty spreads on doctors in smocks, acrobats in clown pants and Chinese mandarins in court dress.

Echoing this longing for a group aesthetic in clothing, the new glossies celebrate homeboy apache, roadie chic, skateboarder sportswear and other clone-able styles.

This derisive take on collective fashion fits the new glossies' barbarous riffs on revolutionary Constructivist graphics. They bespeak frustration about a science-fiction future promised by this century but never delivered.

JOSEPH FITCHETT is on the staff of the International Herald Tribune.

NYSE

Tuesday's 4 P.M. Close

The 2,300 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		A-B-C								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 14

Herald International Tribune
BUSINESS/FINANCE

Policymaker Seeks Wider Regulation

Frenchman in EU Post Urges Hedge-Fund Rules

By Alan Friedman
International Herald Tribune

PARIS — The Treasury chief of France, who was appointed Tuesday as head of the European Union's key economic policy-making panel, called for the international regulation of hedge funds and offshore financial centers.

"We need to look at unregulated entities such as hedge funds, which need to be supervised," said Jean Lemierre, director of the French Treasury and a top aide to Finance Minister Dominique Strauss-Kahn.

"Either the offshore centers accept some form of regulation or the onshore financial entities which have relationships with hedge funds should accept new rules," Mr. Lemierre said in an interview. He said he wanted to see Europewide backing for regulation proposals already made by Mr. Strauss-Kahn.

Speaking in his first interview since being oamed to the powerful post, Mr. Lemierre said he agreed with recent proposals from Prime Minister Keizo Obochi of Japan for a way of achieving greater stability of exchange rates among the euro, the yen and the dollar. But he was wary of creating a mechanism under which governments and central banks would set targets for currency fluctuations.

"It is clear that everybody needs more stability, and the euro itself will be a force for stability," he said. "But I would be more cautious than to say we need a system of currency target zones. What we need is to study every method of achieving exchange-rate stability."

Mr. Lemierre, 48, was named as the first chairman of the new EU Economic and Financial Committee that is to coordinate policy-making among the finance ministries of the European Union.

The committee will have substantial power as the behind-the-scenes forum for the planning of economic policies among the 11 nations that have launched the single currency, the euro, as well as for the 15-nation monthly meetings of EU finance ministers.

The group will also inake preparations for European participation in Group of Seven meetings and help to coordinate relations between euro-zone finance ministers and the new European Central Bank.

It is this latter role that has been most cootroversial. Mr. Strauss-Kahn and other European finance ministers have insisted on the need for a political voice io economic policy-making while promising repeatedly not to interfere with the European Central Bank.

"The independence of the European Central Bank is respected by the finance ministers," Mr. Lemierre said, "and members of the bank plus national central banks and Finance Ministry representatives are all members of my committee; so my job will be to create a place where everybody can discuss and reach conclusions on macroeconomic policy, preferably in secret."

Asked whether the committee would recommend interest-rate cuts to keep the euro from becoming strong enough to damage European exports, Mr. Lemierre replied: "Nobody wants a too-strong euro, but it is difficult to say what is a too-strong euro. Our main objective will be to have a good policy mix with the lowest possible interest rates, low inflation and a good level of business confidence."

The French Treasury chief, whose nomination to the Brussels committee could give Paris broader influence over Europewide policy-making, rejected assertions by some economists and government officials that Europe faced a risk of deflation. "No, we are oot in that situation," he said. "There is oo such risk. What we are seeing now is simply very low inflation."

Looking ahead, Mr. Lemierre also said he was more optimistic than private economists were aboot economic growth this year in the 11 nations of the single-currency zone.

Asked to comment on widespread forecasts of 1999 average growth of between 1.5 percent and 2.0 percent, he said: "No, we believe it will be better than that. We are more confident because there are good signals that Asia has been working a lot, and let us not forget that the credit crunch everyone feared last September has not materialized."

The Associated Press

Henry Paulson Jr., left, will become the sole chief executive of Goldman Sachs as Jon Corzine, right, leaves the post they had shared.

Goldman Sachs Loses A Partner and Pioneer

By Ianthe Jeanne Dugan
Washington Post Service

NEW YORK — Jon Corzine, the farm boy turned bond star who led Goldman Sachs Group LP to record earnings, stunned Wall Street with his decision to leave its last major private partnership after major losses and the postponement of his own divisive plan to take the firm public.

Mr. Corzine, 52, who grew up on an Illinois farm, joined Goldman's bond department in 1975 after finishing a tour in the Marine Corps and getting his business degree at night school.

He helped pioneer options and hedged trading, garnering hero status in 1986 hy maneuvering the firm out of a short position in the U.S. Treasury-bill market. Mr. Corzine was named chief executive in 1994 after the abrupt departure of Stephen Friedman. He immediately announced a goal of hitting $10 billion in pretax earnings by 2000.

Working with Henry Paulson Jr., who was president, Mr. Corzine slashed jobs and expenses and instituted an 18-member partnership committee and an 18-member operations committee. While he focused inside the firm, Mr. Paulson, who ran the investment banking arm, worked on drumming up business outside.

Earnings soared to $1.4 billion in 1995, and in the spring of 1996 Mr. Corzine broached a controversial idea that had been killed through the decades — taking the firm public. For two years, the partners warred over the idea, with Mr. Paulson on one side and Mr. Corzine on the other.

Eventually, the opponents of the plan came around to Mr. Corzine's point of view, particularly as Goldman struggled with a limited capital base to expand at home and abroad. Last June 15, the firm announced it wonld go poblic, a move that woold provide a windfall to employees.

Bot then the markets unraveled worldwide, crushing Goldman's earnings spree and the plan to go public. In September, Goldman shelved its initial public offering. In the fourth quarter, Goldman earned $107 million before taxes — its worst quarter since 1994 — as it ran losses in a variety of activities.

"They were horribly embarrassed," said Donna Clark of the capital markets department at A. T. Kearney Inc., an executive search firm. "They were not happy they took their eye off the ball and lost money."

Mr. Corzine said that during the management transition, he would continue to focus on the on-again, off-again public offering, which insiders said the company now hoped to finalize by summer.

The oews Monday of Mr. Corzine's departure was delivered to managing directors by phone message. The unidentified voice said the firm would continue to support the plan for the public offering.

Mr. Corzine will maintain the post of co-chairman with Mr. Paulson. But Mr. Paulson will become the sole chief executive.

John Thain and John Thornton were named co-chief operating officers, and the firm created a 15-member management committee to replace its executive committee.

An insider at Goldman Sachs said the management changes had been planned for months and were oot related to the financial difficulties or to the delayed public offering. He also said Mr. Corzine himself had chosen Mr. Thain and Mr. Thornton.

Equities Chief at ING Quits

Bloomberg News

AMSTERDAM — ING Groep NV said Tuesday that Jeremy Palmer had quit as head of equities at its investment bank, marking the sixth senior-level ING resignation in six months.

Mr. Palmer's departure comes as ING moves to restore profits at its ING Barings investment bank by refocusing its management on Europe and the United States after losing money in emerging markets. The bank also said it set up a management committee that includes senior executives from its Amsterdam headquarters.

"ING is positioning itself as a Western European bank rather than a global bank," said Kishore Banger, an analyst at Credit Suisse First Boston. "They're playing to the European strength of their Dutch business."

ING Barings is carrying out an internal reorganization overseen by the chief executive, David Robins, after its focus on emerging markets, since acquiring the failed London securities firm Barings in 1995 led to losses. Mr. Robins, in a memo to employees, said the firm was committed to the equities business. Mr. Robins, who joined in October, is conducting the review after the company reported a loss of 330 million guilders ($172.9 million) in its banking businesses.

Brazil Drags Down Latin Markets

Stocks Plunge as Debt Dispute With State Undermines Confidence

Compiled by Our Staff From Dispatches

SAO PAULO — Brazilian stocks plunged Tuesday, dragging down markets across the Americas, as doubts spread about the government's ability to defend the currency and revive the shrinking economy in the face of a financial squeeze.

The fears were prompted by an announcement last week by the state of Minas Gerais that it was placing a 90-day moratorium on repaying its $15 billion debt to the central government. The sell-off was given added steam by speculation that Finance Minister Pedro Malan might resign, renewing concern that Brazil might yet succumb to the crisis in emerging markets despite a $41.5 billion bailout organized by the International Monetary Fund.

"Brazil is a real problem," said Michael Casey, a portfolio manager at Federated Global Research Corp. in New York. "If something bad were to happen there, that would carry over to other markets."

The Bovespa stock index fell 7.62 percent to close at 5,915.55 after a decline of more than 5 percent Monday. The unease carried over to Mexico, where stocks were down 3.7 percent in late trading; Argentina, where they fell 4 percent, and Venezuela, where they plunged more than 7 percent. U.S. stock markets also were lower. (Page 12)

"The Brazil effect is hurting share values across emerging markets," said Miguel Iribarne of Mercado Abierto, a brokerage in Bnenos Aires.

President Fernando Henrique Cardoso of Brazil rejected calls by states to renegotiate the 100 billion reals ($82.7 billion) they owe the government, the latest move in a stand-off over debt relief. While none of Brazil's other 26 states has said it will follow Minas Gerais's debt moratorium, others have said they want to negotiate better terms with the federal government.

"Markets have jumped to the conclusion that Brazil is essentially ungovernable," said Richard Gray of Bank of America in London.

Mr. Cardoso did get a vote of confidence in Washington from Treasury Secretary Robert Rnbin. "I have oo question at all he is commioed to proceeding politically with an important fiscal program," Mr. Robin said.

Though the states pay interest rates as low as 6 percent, their bloated bureaucracies and shrinking tax receipts are squeezing their cash flow, driving their calls for debt relief.

Any concession by the federal government would make it more difficult to shore up its own finances. It is running a projected $64 billion budget deficit, and the economy may shrink as much as 4 percent this year.

"The government has already done what it can," Mr. Cardoso said. "It has negotiated debts, given them subsidies and lowered their interest rates. Everybody would love to have the interest rates they're paying."

Market interest rates have soared on concern that the debt dispute would undermine Brazil's ability to slash its budget deficit and bring down rates.

The country's currency, meanwhile, came under pressure as Brazilian investors refused to trade long-term futures contracts on the real, concerned that Brazil may weaken the currency to ease interest rates and stem capital flight.

The real trades within a narrow trading band set by the central bank. The bank is expected in the next few weeks to make its periodic adjustment to the band, and investors fear that the limit will be widened sharply. That concern also has taken its toll on the stock market.

"The main problem is that Brazil is entering a recession and that fiscal revenues are declining very fast," said Jose Barrionuevo, director of Global Markets Strategy at Lehman Brothers in New York. "Nobody is going to commit funds to emerging markets as long as we don't know what's going to happen in Brazil." *(Bloomberg, AFP)*

U.S. Warns Japan Over Trade Friction

Compiled by Our Staff From Dispatches

WASHINGTON — The top U.S. trade official warned Tuesday that U.S.-Japanese trade friction was increasing "dramatically" and urged Tokyo to take immediate corrective measures.

The U.S. trade representative, Charlene Barshefsky, said Japan's relatively ineffective moves to spur its weak economy and reverse a surge of steel exports had intensified trade tensions and impeded recovery in Asia.

She made her comments after a meeting with Kaoru Yosano, the Japanese trade and industry minister.

"It's no secret that trade tensions between the U.S. and Japan are increasing quite dramatically," she said. She described the surge as "well beyond any economically explainable level."

The U.S. commerce secretary, William Daley, who also attended the meetings, said Mr. Yosano had made oo commitments on Japanese steel exports. But he said the Japanese official believed that such exports this year would be "substantially less" than in 1998.

Mr. Yosano said after the meeting that he was sure the dispnte could be solved amicably.

But the United States last week publicly warned Japan that its steelmakers could face punitive sanctions if they failed to take quick action to reduce exports.

Mr. Daley said Washingtoo would closely monitor the flow of steel from Japan to the United States in the next few mooths. *(AFP, Bloomberg)*

■ U.S. Moves Toward Sanctions

The United States will ask the World Trade Organization to approve sanctions against goods from the European Unioo in the dispute over trade in bananas, a U.S. trade envoy said, Reuters reported from Geneva.

The official, Rita Hayes, spoke to reporters shortly before the organizatioo's Dispute Settlement Body agreed to a request from Ecuador to reconvene an expert panel to review the EU's new banana import and marketing policy to decide whether it complied with open-trading rules.

The EU has modified its banana import policy since the organization struck down its earlier practice, which favored bananas imported from former European colonies, mainly in the Caribbean, over fruit from Latin America that is marketed largely by big U.S. companies.

The U.S. says the revised policy still violates the trade body's rules, and it has announced plans for retaliatory sanctions on a variety of EU goods.

CURRENCY RATES

Cross Rates

Jan. 12

	$	£	SF	Yen	C$	Dnmk	Greek	Swede
London (a)	1.6305	—	2.2679	182.29	2.458	10.5141	457.62	12.7799
New York (b)	—	1.6305a	1.3875	112.425	1.5135	6.4579	280.40	7.883
Tokyo	111.75	182.26	79.68	—	74.23	17.23	N.Q.	14.18
Toronto	1.5089	N.A.	N.A.	N.A.*	—	0.234	N.A.*	N.A.
Zurich	1.3909	2.2679	—	1.2422*	0.9222	21.56	0.495*	0.178
One euro	1.152	0.7066	1.6072	129.63	1.7392	7.443	323.80	9.0955
One SDR	1.3992	0.8599	1.956	156.006	2.1267	9.0681	394.02	11.0366

Interbank rates excluding commissions.

*a: To buy one pound; b: To buy one dollar. *Per 100; N.Q.: not quoted; N.A.: not available.*

SDR: Special drawing rights of the IMF.

Sources: Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); Banque de France (euro); IMF (SDR). Other data from Reuters.

Euro Values

Fixed rates of the EMU member currencies for one euro:

Austrian schilling	13.7603	Irish punt	.787564
Belgian/Lux. franc	40.3399	Italian lira	1,936.27
Finnish markka	5.94573	Neth. guilder	2.20371
French franc	6.55957	Portug. escudo	200.482
German mark	1.95583	Spanish peseta	166.386

Other Dollar Values

Jan. 12

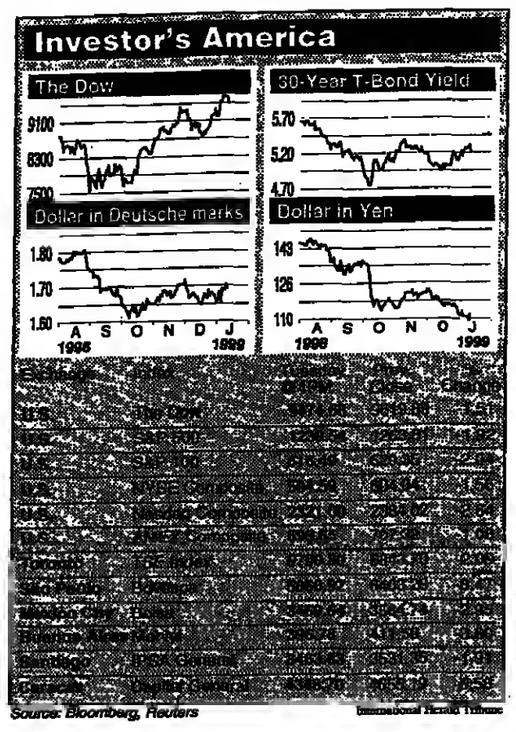
Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Hung. forint	216.11	N. Zealand $	1.8365	Slov. koruna	34.88
Australian $	1.5652	Indian rupee	42.505	Norw. krone	7.459	S. Afric. rand	6.025
Brazilian real	1.217	Indo. rupiah	7900.0	Pakist. rupee	48.36	S. Korea won	1173.5
Chilean peso	472.05	Israeli shek.	4.058	Phil. peso	37.90	Taiwan $	32.16
Chinese yuan	8.2797	Kuwaiti dinar	0.30	Polish zloty	3.45	Thai baht	36.38
Czech koruna	30.53	Leban. pound	1508.5	Russian ruble	23.06	Turkish lira	322375
Egypt. pound	3.4087	Malay. ringg.	4.005	Saudi riyal	3.749	UAE dirham	3.6727
Hong Kong $	7.7473	Mexican peso	10.07	Singapore $	1.678	Venez. bolIv.	566.50

Source: Associated Press.

European Cross Rates

Intra-EMU rates are permanently fixed

	Aus.	Belg	Finn.	FrF	DM	Irr	Lire	Neth	Port	Span
Aust. Schilling	—	34.1169	2.3143	2.0997	7.0355	17.473	3.7107	6.2442	6.8634	8.3761
Belg. Franc	2.9316	—	6.7847	6.1498	20.6255	51.2211	2.0834	18.3054	20.1215	24.2448
Fin. Markka	0.4321	14.7371	—	0.9064	3.04	7.5495	0.3071	2.6981	2.9657	3.5725
Fren. Franc	0.4767	16.2607	1.1032	—	3.3539	8.3289	0.3388	2.9766	3.2719	3.9434
Germ. Mark	0.1421	4.8484	0.3289	0.2982	—	2.4834	0.101	0.8875	0.9756	1.1755
Irish Punt	0.0572	1.9523	0.1325	0.12	0.4027	—	0.0407	0.3574	0.3928	0.4733
Italian Lira	1407.1	4799.39	325.66	295.18	990.002	2458.56	—	878.64	965.81	1,163.72
Neth. Guild.	0.1601	5.4629	0.3706	0.336	1.1267	2.7981	0.1138	—	1.0992	1.3245
Port. Escudo	14.5696	496.98	33.7187	30.5633	102.51	254.56	10.354	90.9748	—	120.49
Span. Peseta	12.0917	412.46	27.984	25.365	85.0718	211.27	8.5931	75.5027	82.993	—
Dollar	11.9085	34.911	2.3456	2.6769	1.6927	0.6793	1.675.70	1.9972	173.505	144.00
Pound	19.4379	56.9844	3.799	3.2661	2.7629	1.1125	2.735.19	3.113	283.302	235.04
Yen	9.31	2.1774	21.56	19.54	45.54	162.76	6.42	58.17	0.44	0.7704



Source: Bloomberg, Reuters International Herald Tribune

Net Stocks Lead Market Down, for a Change

Compiled by Our Staff From Dispatches

NEW YORK — Stocks slumped broadly Tuesday as investors worried that Internet-related shares had risen too far too fast and that financial turmoil in Brazil could cause trouble for the U.S. economy.

The biggest losses came in the technology-heavy Nasdaq composite index, which turned sharply lower after a seven-day streak of gains led by Internet stocks. The Nasdaq closed down 63.59 points at 2,321.00.

But broader indexes fell, too, with the Dow Jones industrial average off 145.21 at 9,474.68 and the Standard & Poor's 500-stock index down 24.34 at 1,239.54.

Declining issues outnumbered advancing ones by a ratio of 5 to 2 on the New York Stock Exchange.

Investors continued to worry that stock prices were not justified by the outlook for corporate earnings, particularly among Internet companies, many of which have never reported a profit.

"We're in the profit-reporting period; there are a lot of concerns," said Barry Berman, head trader for Robert W. Baird & Co. in Milwaukee.

U.S. STOCKS

Among the biggest losers were Amazon.com, the on-line bookseller, which fell 21¼ to 163¾, and Lycos, an Internet search service, which was down 26½ at 104½.

Yahoo! and Intel also sank ahead of their fourth-quarter earnings reports, due after the close of trading. Some investors worried that their earnings expectations might have risen too high. Yahoo! was down 19 11/16 at 395 11/16, and Intel was off 4 3/16 at 135 9/16.

Broadcom fell 19¼ to 138 after a Morgan Stanley Dean Witter analyst, Mark Edelstone, lowered his rating on the largest maker of cable-modem computer chips. He wrote in a report that its recent surge had outstripped its profit potential.

"It's what *I* call buying exhaustion," said Ken Pasternak, chief executive of Knight Securities, a New York-based brokerage that makes markets in Nasdaq stocks. "We're not seeing as many buyers as we've seen in the last four or five days. Every frenzy exhausts itself."

Blue-chip shares also fell as investors continued to take profits after a rally that drove prices into record territory. There was also some concern in the market that a looming debt crisis in Brazil, which drove down stock prices there, could have ripple effects for the U.S. economy.

The Dow was dragged lower by Alcoa, which lost 2 15/16 to 85¼ after an analyst at Morgan Stanley, R. Wayne Atwell, downgraded it to "underperform" from "outperform."

Walt Disney rose 2 11/16 to 37 15/16 after it and Infoseek, an Internet directory service, unveiled their Go Network Web site, aimed at attracting more consumers and revenue on-line.

Eastman Kodak rose 4⅜ to 79⅝. The Wall Street Journal reported that U.S. sales of 35mm film rolls rose about 18 percent in the four weeks ended Dec. 26 from the previous holiday season.

With investors pulling their money out of stocks, U.S. Treasury securities surged in price as money managers continued to see safety in U.S. government debt. The benchmark 30-year bond was up 1 12/32 point to 100 17/32, driving down the yield to 5.21 percent from 5.30 percent. *(AP, Bloomberg)*

Dollar Gains On Talk of Intervention

Bridge News

NEW YORK — The dollar rebounded against the yen Tuesday amid speculation about intervention in the currency market by the Bank of Japan.

The dollar, which had fallen sharply against the Japanese currency in recent days, was also bolstered by comments from Treasury Secretary Robert Rubin, who said Washington's support for a strong dollar was "absolutely unchanged."

There was widespread talk in the market that the Bank of Japan had stepped in to buy dollars to try to weaken the yen, for the first time in nearly three years. Japanese authorities have warned about possible intervention in recent days, but they did not confirm the speculation.

FOREIGN EXCHANGE

"The concern on the part of the Japanese authorities is not to let the yen get too strong to starve their economy," said Jeremy Fand, senior currency strategist at BankBoston.

"Also, the world is of the opinion they don't want to see too strong of a yen. They want to see Asia recover."

Japan's chief cabinet secretary, Hiromu Nonaka, said an excessive rise in the value of the yen was not desirable for the world's economy, but he said he had not heard about any intervention.

Mr. Rubin's comments then further reassured buyers of dollars, who helped lift the currency in 4 P.M. trading to 112.425 yen from 108.675 yen Monday.

But the euro gained ground against the dollar over renewed worries about Brazil. Latin American stock markets plummeted, and fears that the United States could be affected drove up the euro.

"The focus right now is intervention and Brazil," said Hugh Walsh, senior dealer at Commerzbank.

The euro rose to $1.1565 from $1.1497, while the pound rose to $1.6305 from $1.6295. The dollar fell to 1.3875 Swiss francs from 1.4000 francs.

Very briefly:

- **BankAmerica Corp.** said it would eliminate or shift to new jobs 18,000 workers over the next three to four years to reduce costs and refocus its businesses.
- **Lands' End Inc.**, the catalog retailer of casual clothes, said *it would cut 11 percent of its staff, liquidate its Willis & Geiger* unit after failing to find a buyer, and close three outlet stores to increase profits.
- **Calpine Corp.**, a producer of geothermal energy, said it would buy 12 power plants in northern California from **PG&E Corp.** for $139 million in cash to expand in the state's deregulated electricity market.
- **Automobile manufacturers** have created a new trade group that will include foreign-based companies as well as **General Motors Corp. and Ford Motor Co.** The new group, the Alliance of Automobile Manufacturers, has nine member companies and will focus on issues of agreement among domestic and foreign automakers, such as environment and safety issues, industry officials said Monday.
- **Tazo**, an Oregon-based tea company, has been bought out by **Starbucks Coffee Co.**, which said it would discontinue its *in-house Infusia brand of tea.*
- **President-elect Hugo Chavez** of Venezuela won France's backing Tuesday for the restructuring of its foreign debt with the Paris Club of Western creditor countries.
- **Cemex SA** of Mexico increased its stake in **Rizal Cement Inc.** of the Philippines from 30 percent to 70 percent and its stake in **PT Semen Gresik** of Indonesia from 16 percent to 22 percent; the company said it paid $128 million for increasing its stake in Rizal, and $49.1 million for the additional holdings in Semen Gresik.
- **International Paper Co.** said its fourth-quarter earnings fell 43 percent to $66 million, hurt by weak paper prices and rising competition from overseas producers.
- **American Financial Group Inc.**, a property and casualty insurer, said it would buy the auto insurer **Worldwide Insurance Co.** from **Aegon NV** of the Netherlands for $115 million in cash.

Bloomberg, AP, Reuters

Microsoft Witness Derides 'Inconsistent' Lawsuit

By Steve Lohr
New York Times Service

WASHINGTON — Microsoft Corp. has opened its defense in the government's antitrust lawsuit, with an economist from Massachusetts Institute of Technology bearing a massive tome of written testimony with a simple message: Microsoft's business practices are good for consumers, and any government meddling with the software industry probably would do more harm than good.

The 328-page testimony Monday by Richard Schmalensee of MIT is a blunderbuss rebuttal to the Justice Department's two-and-a-half-month attempt to prove that Microsoft used its monopoly in personal-computer operating system software to thwart competitive challenges posed by the rise of the Internet.

The government's case, he wrote in his direct testimony, amounts to "speculation" based on a "morass of e-mails" from Microsoft executives that at first glance may seem damaging, but are not. Forget the atmospherics, Mr. Schmalensee told the court, and focus on the outcome — what he insisted is a lack of measurable harm, current or future, to consumers.

"Proper economic inquiry into whether a company is engaged in anti-competitive conduct should end if it concludes that consumers have not been harmed by the conduct at issue and are not likely to be harmed in the future," he wrote.

High and rising product prices are typically the litmus test of whether a monopolist has the power to punish competitors and gouge consumers. The government's evidence shows that Microsoft has increased the price it charges personal-computer makers for its Windows operating system in recent years, even as the prices of other components of computer systems have declined. Still, the cost of Windows accounts for less than 5 percent of the price of a typical PC — not really evidence of the kind of price-gouging normally associated with a monopolist, as some economists have noted.

But the government's case is focused as much on the future as on the recent past. If Microsoft is allowed to continue to thwart competition, the Justice Department says, consumers will surely suffer from less product choice, less innovation and higher prices in the long run.

In his testimony, Mr. Schmalensee described the suit by the Justice Department and 19 states as "fundamentally inconsistent."

The government asserts, he said, that Microsoft has an enduring monopoly because its Windows operating system controls the basic operations on more than 90 percent of personal computers sold and that barriers to entry in that market are high. But he added that the government had also noted how Microsoft invested hundreds of millions of dollars because it was scared of losing its dominance to an upstart maker of Internet browser software, Netscape Communications Corp.

"What is striking about the late-night e-mails and the almost frantic concern over competitive threats is that they show that Microsoft itself was extremely insecure about its leadership in operating systems," Mr. Schmalensee said.

David Boies of the Justice Department said Microsoft indeed had been deeply worried, "but it also had its thumb on the scale."

■ Prototype of New Browser

In spite of intense legal tussling between Microsoft and the government over whether the software giant unfairly used the dominance of Windows to promote its Internet Explorer 4.0 browser, Microsoft begin distributing a prototype of the next version, IE 5.0, on Monday, The Washington Post reported.

E*Trade to Move Into Investment Banking

Bloomberg News

PALO ALTO, California — E*Trade Group Inc. said Tuesday it was forming an investment bank to help companies raise money by selling stocks and bonds over the Internet, challenging traditional securities firms as it did when it began selling stocks to retail customers.

E*Trade, the second-largest on-line brokerage, plans to inaugurate E*Offering by the end of the year with a group of investors that includes Sanford Robertson and Walter Cruttenden 3d, both of whom previously founded their own securities firms.

"Sure, this will be a hot retail product," said Steve Franco, an analyst with Piper Jaffray Cos., "but the most interesting thing is this gives them a hook into the institutional market. They have the ability to dramatically change the economics of the institutional business, just as they have done with the retail business."

The announcement sent E*Trade shares soaring $12.4375 to close at $100.9375 in Nasdaq trading. The stock ended 1998 at $46.78125.

The new company's goal is to slash the cost of a corporate securities offering to about 4.5 percent of the amount raised from the traditional 7 percent fee charged by investment bankers.

U. S. STOCK MARKET DIARY

Tuesday, Jan. 12

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	9618.86	9620.15	9452.03	9474.68	-145.21
Trans	3285.54	3286.32	3203.80	3206.45	-79.67
Util	307.38	311.07	306.84	308.58	+1.17
Comp	2972.66	2972.75	2927.78	2931.70	-41.02

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4 P.M.
Industrials	1528.77	1503.32	1516.76	1487.97
Transp.	728.37	707.51	707.61	698.95
Utilities	258.08	253.29	254.48	254.82
Finance	138.87	135.61	136.68	133.43
SP 500	1276.22	1253.34	1263.88	1239.54
SP 100	636.94	624.41	629.42	616.49

NYSE

	High	Low	Last	Chg.
Composite	604.04	593.61	594.59	-9.45
Industrials	751.77	738.97	740.14	-11.61
Transp.	496.16	482.04	482.40	-13.47
Utility	448.03	440.70	441.58	-4.39
Finance	538.25	527.13	528.06	-10.12

Nasdaq

	High	Low	Last	Chg.
Composite	2396.30	2320.21	2321.01	-63.58
Industrials	1375.33	1365.63	1366.31	-25.47
Banks	1838.04	1816.51	1820.82	-18.83
Insurance	1757.60	1735.55	1748.30	-0.38
Finance	3036.11	2864.34	2988.56	+108.48
Transp.	991.32	982.40	986.23	-8.68

AMEX

High	Low	Last	Chg.
707.48	696.60	699.45	-7.67

Dow Jones Bond

	Close	Chg.
20 Bonds	106.53	+0.04
10 Utilities	104.25	-0.15
10 Industrials	108.81	+0.24

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Disney s	206962	38⅝	37⅛	37⅞	+2⅞
AmOnline s	204781	167	151⅛	152⅞	-12⅞
Compaq	130966	48½	46⅛	46⅝	-1⅞
Citigrp	112437	57⅞	55¼	56¼	-1½
Gillette s	84009	55⅞	51⅞	54⅞	+2⅞
AMD	73715	33	30¼	31¼	-½
AT&T	73582	86⅞	84⅞	84⅞	-1⅞
Lucent s	71945	113¾	106⅞	108	-4⅞
Cendant	65294	19¾	18⅞	19⅛	-⅛
ChaseM s	63648	75⅞	73⅞	74	-2¼
WarnLm s	62230	72⅞	69⅞	70¼	-1⅞
ScheringPl s	60618	53¼	50⅞	50⅞	-1⅞
Mattel	58784	23⅞	22⅞	23⅛	+⅞
MicrnT	58719	69⅞	67	69⅞	+2⅞
HomeDp	55268	55⅞	53⅞	54⅛	-2⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
DlBdcst	265431	50⅛	31¾	35	-3⅞
Intel	246728	142½	134½	135⁹⁄₁₆	-4³⁄₁₆
Cisco s	243839	104⅞	97¾	98⅞	-5⅞
Connect s	188124	8¾	3½	7⅞	+4⅞
Lycos s	142264	144	89	104½	-26½
Excite s	129971	95	42	74⅜	-6⅞
E Trade	127934	108	82	101	+12⅞
Micrsft s	127827	148⅞	141	142⅞	-5⅞
DellCptr s	130746	87¾	74⅞	80½	-1½
Yahoo	129898	443	370	402	-13⅞
Amazon s	119137	182	159	164	-20⅞
CMGI s	116086	155⅞	87⅞	131	-5
Ascend	116074	79½	73	74⅞	-1⅞
Infoseek	113702	100	73⅞	84⅞	-3⅞
MCI Wrld	100675	75⅞	72	72½	-2½

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	74182	126⅞	123⅞	124	-2⅞
NTNCom	21602	1⅝	1	1⅛	+⅛
Harken	15104	2¾	2½	2⅝	-⅛
PC Quote	13417	3⅝	2⅞	3⅛	-⅛
TWA	12688	5	4⅞	5	—
RoyalO g	12633	⅝	[illegible]	[illegible]	—
FAusPr	9833	5⅝	5⅜	5⅜	-⅛
ViacB	9263	73¾	71⅞	73⅞	-⅞
Ampex	8739	2½	2⅜	2⅞	+⅛
Nabors	7956	15⅛	14⅝	14⅞	-⅜

Trading Activity

NYSE

	Close	Prev.
Advanced	872	1118
Declined	2186	1970
Unchanged	470	502
Total Issues	3548	3590
New Highs	38	67
New Lows	33	33

Nasdaq

	Noon	Prev.
Advanced	1364	2097
Declined	2163	1967
Unchanged	1419	1190
Total Issues	4946	5254
New Highs	97	190
New Lows	30	26

AMEX

	Close	Prev.
Advanced	219	345
Declined	340	344
Unchanged	164	143
Total Issues	743	752
New Highs	11	15
New Lows	10	9

Market Sales

	Today 4 P.M.	Prev. cons.
NYSE	789.44	810.73
Amex	33.54	32.42
Nasdaq	1,048.24	1,092.87

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Enterprise Prod	-	.45	1-29	2-11
NCE Diversified g	-	.06	12-31	1-8
STOCK SPLIT				
Fortis NL NV 2 for 1 split.				
Medicis Pharm 2 for 2 split.				
INCREASED				
Anchor Fincl	Q	.14	1-22	2-1
Schulman A.	Q	.125	1-26	2-4
YEAREND				
MacKenz Master	g -	4.90	12-31	1-22
REGULAR				
Ameron Intl	Q	.32	1-28	2-16
Apogee Enterprises	Q	.0525	1-26	2-11
CVS Corp	Q	.0575	1-22	2-3
Cascade Bncp	Q	.09	1-25	2-2
Cherokee Inc	Q	.25	1-15	2-3
Ennis Business	Q	.155	1-19	2-1
Genesis Energy	Q	.50	1-29	2-12
Heritage US Gov	M	.06	1-20	1-28
Merrill Corp	Q	.02	12-31	1-15
NY State E&G	-	.0898	1-31	2-1
Northrim Bk	Q	.05	1-20	1-29
Pennichuck Corp	Q	.22	2-1	2-15
Peoples-Sidney	Q	.07	1-26	2-9
Superior Telecom	Q	.0625	1-20	2-3

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y - ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

Tuesday, Jan. 12

Grains

CORN (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Mar 99	220	216¾	217¼	-2½	174,921
May 99	227	222¾	223¼	-3	59,907
Jul 99	232½	228¾	229	-3½	64,139
Sep 99	239	234	235½	-3¼	14,918
Dec 99	245½	239¾	241¼	-4	30,793
Mar 00	252¾	245¾	248½	-3¾	2,397
May 00	258	252	252½	-4½	27

Est. sales 99,000 Mon's sales 39,126
Mon's open int 349,552, off 40

SOYBEAN MEAL (CBOT)
100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Jan 99	140.90	138.30	138.70	-2.30	7,983
Mar 99	140.40	136.30	136.80	-2.70	47,961
May 99	142.20	138.00	138.70	-3.00	19,130
Jul 99	144.80	141.00	141.40	-2.90	21,551
Aug 99	145.00	142.70	142.70	-2.90	5,697
Sep 99	146.50	144.30	144.50	-2.60	5,296

Est. sales 30,000 Mon's sales 18,670
Mon's open int 113,879, up 1,026

SOYBEAN OIL (CBOT)
60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Jan 99	23.33	22.88	23.03	-0.24	1,324
Mar 99	23.53	23.07	23.25	-0.24	56,504
May 99	23.72	23.29	23.47	-0.22	21,288
Jul 99	23.87	23.45	23.59	-0.29	17,728
Aug 99	23.96	23.50	23.68	-0.24	5,344
Sep 99	24.05	23.53	23.73	-0.27	3,556

Est. sales 26,000 Mon's sales 15,454
Mon's open int 112,366, up 324

SOYBEANS (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Jan 99	542	534	535	-7¼	5,450
Mar 99	547½	536¾	538½	-8¼	64,018
May 99	553½	542	544	-9¼	24,105
Jul 99	560	547	549	-9¾	26,114
Aug 99	554½	549	550	-10¼	6,171

Est. sales 84,000 Mon's sales 41,057
Mon's open int 143,437, up 1,735

WHEAT (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Mar 99	286	280	281½	-4¼	65,423
May 99	296	290½	291½	-4¾	12,830
Jul 99	307¾	300½	302	-4¼	31,272
Sep 99	315	311	311¾	-4½	1,868

Est. sales 35,000 Mon's sales 18,382
Mon's open int 113,872, off 214

Livestock

CATTLE (CMER)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 99	62.87	62.10	62.32	unch.	40,681
Apr 99	65.70	65.12	65.37	-0.13	35,683
Jun 99	64.82	64.40	64.45	-0.22	19,555
Aug 99	64.57	64.25	64.30	-0.27	10,906
Oct 99	66.25	66.00	66.15	-0.25	5,846
Dec 99	67.20	66.95	67.10	-0.12	2,147

Est. sales 13,275 Mon's sales 17,396
Mon's open int 114,844, up 256

FEEDER CATTLE (CMER)
30,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jan 99	73.20	72.47	73.02	+0.30	3,013
Mar 99	73.30	72.55	72.92	-0.03	4,411
Apr 99	73.45	72.80	73.15	+0.10	2,069
May 99	73.90	73.50	73.90	+0.03	3,134
Aug 99	75.00	74.50	74.95	+0.20	1,222
Sep 99	74.75	74.25	74.60	+0.10	225

Est. sales 2,614 Mon's sales 4,134
Mon's open int 14,463, up 556

HOGS-Lean (CMER)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 99	41.20	39.45	41.20	+2.00	14,480
Apr 99	45.00	42.85	43.85	+0.70	11,788
Jun 99	55.17	53.05	54.15	+0.98	7,046
Jul 99	56.37	54.00	55.30	+0.93	3,832
Aug 99	56.95	55.70	56.57	+0.77	3,360

Est. sales 16,424 Mon's sales 12,953
Mon's open int 46,699, up 336

PORK BELLIES (CMER)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 99	55.22	52.22	55.22	+3.00	4,193
Mar 99	55.42	52.40	55.42	+2.00	1,174
May 99	56.62	54.00	56.62	+3.00	855

Est. sales 2,407 Mon's sales 2,397
Mon's open int 7,234, off 34

Food

COCOA (NCSE)
10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Mar 99	1402	1377	1392	+3	34,619
May 99	1430	1405	1420	+2	19,625
Jul 99	1455	1434	1446	+4	5,795
Sep 99	1469	1460	1469	+4	4,491
Dec 99	1502	1496	1502	+4	5,848
Mar 00	1534	1533	1534	+4	6,263

Est. sales 6,991 Mon's sales 12,610

[illegible]

ORANGE JUICE (NCTN)
15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Mar 99	102.25	100.70	101.75	-0.60	17,200
May 99	102.50	101.25	102.15	-0.80	3,825
Jul 99	103.00	102.50	102.75	-0.90	2,277
Sep 99	103.80	102.30	103.50	-0.60	293

Est. sales N.A. Mon's sales 2,288
Mon's open int 24,473, up 419

Metals

GOLD (NCMX)
100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jan 99			288.50	-4.30	2
Feb 99	293.90	288.00	289.30	-4.30	72,618
Mar 99			290.30	-4.30	1
Apr 99	296.20	290.00	291.40	-4.30	24,726
Jun 99	296.90	292.20	293.30	-4.40	17,061
Aug 99	298.30	294.80	295.20	-4.40	6,782
Oct 99			297.00	-4.40	2,571
Dec 99	302.10	298.70	298.70	-4.40	12,307
Feb 00	303.30	299.90	299.90	-4.50	5,241

Est. sales 48,000 Mon's sales 36,114
Mon's open int 169,856, off 993

HI GRADE COPPER (NCMX)
25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Jan 99	67.05	66.00	66.25	-0.35	1,243
Feb 99	67.20	66.20	66.50	-0.30	2,378
Mar 99	67.90	66.50	66.95	-0.25	47,523
Apr 99			67.35	-0.25	1,663
May 99	68.60	67.50	67.75	-0.25	6,281
Jun 99			68.15	-0.25	1,431
Jul 99	69.60	68.40	68.50	-0.25	3,988
Aug 99	69.50	68.80	68.90	-0.25	1,428
Sep 99			69.25	-0.25	2,403

Est. sales 12,000 Mon's sales 9,019
Mon's open int 77,822, off 1,670

SILVER (NCMX)
5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Jan 99			521.3	-10.8	51
Feb 99			522.4	-11.0	10
Mar 99	541.0	522.5	524.5	-11.0	54,129
May 99	539.0	526.0	527.7	-10.9	7,896
Jul 99	539.5	528.5	530.0	-10.8	4,674
Sep 99	540.0	531.5	532.2	-10.8	1,770
Dec 99	543.5	533.0	534.1	-10.8	6,043
Jan 00			534.7	-10.8	8

Est. sales 12,000 Mon's sales 13,252
Mon's open int 80,799, up 1,026

PLATINUM (NMER)
50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Jan 99	359.00	354.50	355.50	-8.60	36
Apr 99	367.00	355.20	357.00	-8.80	10,761
Jul 99	359.50	358.50	358.50	-8.80	573
Oct 99			359.80	-8.80	1,094
Jan 00			361.80	-8.80	3

Est. sales N.A. Mon's sales 1,115
Mon's open int 12,467, up 207

LONDON METALS (LME)
Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1253.00	1254.00	1250.00	1251.00
Forward	1258.00	1259.00	1255.00	1256.00
Copper Cathodes (High Grade)				
Spot	1470.00	1471.00	1453½	1454½
Forward	1496.00	1497.00	1480.00	1481.00
Lead				
Spot	495.00	496.00	511.00	512.00
Forward	496.00	497.00	504.00	505.00
Nickel				
Spot	4510.00	4520.00	4560.00	4570.00
Forward	4575.00	4585.00	4630.00	4630.00
Tin				
Spot	5135.00	5145.00	5100.00	5105.00
Forward	5120.00	5130.00	5090.00	5095.00
Zinc (Special High Grade)				
Spot	937.00	938.00	942½	943½
Forward	956.00	957.00	961.00	962.00

Financial

US T BILLS (CMER)
$1 million- pts of 100 pct.

	High	Low	Close	Chge	Op Int
Mar 99	95.78	95.74	95.78	+0.04	2,054
Jun 99			95.81	+0.03	91

Est. sales 420 Mon's sales 36
Mon's open int 2,145, off 10

5 YR TREASURY (CBOT)
$100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Op Int
Mar 99	112-54	112-15	112-45	+18	301,099
Jun 99	112-61	112-61	113-25	+19	1,275
Sep 99			113-25	+19	5

Est. sales 25,000 Mon's sales 38,270
Mon's open int 302,379, off 2,002

10 YR TREASURY (CBOT)
$100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Op Int
Mar 99	118-07	117-08	117-31	+13	535,007
Jun 99	118-04	117-13	117-30	+13	8,974
Sep 99			117-15	+06	1

Est. sales 125,000 Mon's sales 113,813
Mon's open int 543,982, up 11,049

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ITALIAN GOVERNMENT BOND (LIFFE)
ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Mar 99	N.A.	N.A.	114.25	+0.18	38,130

Est. sales: 15,367. Prev. sales: 22,376
Prev. open int.: 38,130 up 2,545

LIBOR 1-MONTH (CMER)
$3 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Jan 99	95.01	95.00	95.00	unch.	14,308
Feb 99	95.05	95.04	95.04	unch.	8,649
Mar 99	94.99	94.97	94.99	+0.02	2,235

Est. sales 1,074 Mon's sales 1,115
Mon's open int 26,882, up 9

EURODOLLARS (CMER)
$1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Jan 99	94.96	94.95	94.95	unch.	37,945
Feb 99	95.00	94.97	94.99	+0.01	7,779
Mar 99	95.01	94.97	95.00	+0.02	475,745
Apr 99			95.00	unch.	1,274
May 99	95.01	95.01	95.01	+0.02	1,182
Jun 99	95.08	94.97	95.03	+0.04	429,402
Sep 99	95.08	94.96	95.04	+0.06	395,599
Dec 99	94.64	94.53	94.61	+0.07	261,386
Mar 00	94.94	94.83	94.91	+0.06	254,742
Jun 00	94.87	94.75	94.83	+0.06	157,606
Sep 00	94.80	94.69	94.76	+0.06	122,648
Dec 00	94.64	94.53	94.60	+0.06	113,875

Est. sales 358,779 Mon's sales 372,368
Mon's open int 2,952,747, up 1,082

BRITISH POUND (CMER)
62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Mar 99	1.6312	1.6212	1.6284	+0.0010	49,691
Jun 99			1.6262	+0.0010	1,266
Sep 99			1.6256	+0.0010	220

Est. sales 5,462 Mon's sales 11,484
Mon's open int 51,217, up 1,793

CANADIAN DOLLAR (CMER)
100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Mar 99	.6644	.6602	.6608	-0.0033	45,597
Jun 99	.6646	.6605	.6613	-0.0033	2,485
Sep 99	.6642	.6610	.6618	-0.0033	896

Est. sales 5,206 Mon's sales 5,453
Mon's open int 49,956, up 832

GERMAN MARK (CMER)
125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Mar 99	.5934	.5872	.5925	+0.0032	58,120
Jun 99	.5954	.5940	.5954	+0.0032	1,306
Sep 99			.5984	+0.0032	139

Est. sales 11,855 Mon's sales 10,417
Mon's open int 59,713, off 471

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	High	Low	Latest	Chge	Opint
Dec 99	96.780	96.780	96.800	+0.030	40,348
Mar 00	N.T.	N.T.	97.030	+0.025	48,239
Jun 00	N.T.	N.T.	96.960	+0.020	37,385

Est. sales: 1,779. Prev. sales: 1,206
Prev. open int.: 492,434 off 285

Industrials

COTTON 2 (NCTN)
50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Mar 99	60.58	59.00	59.61	+0.57	34,698
May 99	61.25	60.20	60.65	+0.40	16,540
Jul 99	62.15	61.15	61.60	+0.39	12,424
Oct 99	62.65	62.20	62.40	+0.35	1,517
Dec 99	63.95	63.30	63.66	+0.25	12,685

Est. sales N.A. Mon's sales 4,137
Mon's open int 79,694, off 118

HEATING OIL (NMER)
42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Feb 99	37.75	35.50	35.70	-1.73	51,434
Mar 99	38.05	36.00	36.05	-1.68	26,990
Apr 99	38.10	36.45	36.45	-1.43	17,634
May 99	37.90	36.60	36.70	-1.38	11,157
Jun 99	38.00	37.00	37.00	-1.48	10,651
Jul 99	38.75	38.15	38.15	-0.98	8,919
Aug 99	39.65	39.20	39.45	-0.38	9,663

Est. sales N.A. Mon's sales 45,690
Mon's open int 169,102, off 2,307

LIGHT SWEET CRUDE (NMER)
1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Feb 99	13.50	12.85	12.89	-0.55	85,394
Mar 99	13.37	12.92	12.96	-0.49	85,639
Apr 99	13.44	13.00	13.03	-0.45	40,783
May 99	13.47	13.09	13.13	-0.43	32,042
Jun 99	13.47	13.22	13.24	-0.42	37,490
Jul 99	13.80	13.35	13.36	-0.41	21,790

Est. sales N.A. Mon's sales 179,179
Mon's open int 511,401, up 4,636

NATURAL GAS (NMER)
10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Feb 99	1.830	1.740	1.820	+0.041	47,098
Mar 99	1.855	1.790	1.850	+0.041	34,185
Apr 99	1.860	1.800	1.860	+0.045	21,403
May 99	1.870	1.830	1.865	+0.028	14,598
Jun 99	1.900	1.850	1.900	+0.034	14,735
Jul 99	1.915	1.880	1.910	+0.015	12,217

Est. sales N.A. Mon's sales 52,198
Mon's open int 242,026, up 4,910

UNLEADED GASOLINE (NMER)

[illegible]

Bermuda-Based ACE to Acquire Cigna's Property-Casualty Units

Bloomberg News

HAMILTON, Bermuda — ACE Ltd. agreed Tuesday to pay $3.45 billion for the property and casualty businesses of Cigna Corp., allowing the third-largest U.S. health insurer to leave that business and concentrate on employee benefits.

Cigna, which is based in Philadelphia, said it would take a $60 million after-tax fourth-quarter charge for restructuring and for losses in its property-casualty line. The industry suffered one of its worst years in decades in 1998 as fewer companies bought insurance against such risks as storm damage.

ACE said Dec. 22 it was negotiating to buy Cigna's domestic and international property-casualty units. The purchase gives Bermuda-based ACE companies whose premiums exceed its own by almost four times, furthering its ambition of becoming a worldwide insurer through acquisitions.

"ACE gets a very strong international operation, and that is something they've been looking to acquire," said Alice Schroeder, an analyst at PaineWebber Inc.

ACE plans to finance the purchase with cash and new equity and debt securities. Though the company is considerably smaller than the businesses it is acquiring, it is far more profitable. The Bermuda-based insurer had an operating profit of $418 million in its latest financial year, which ended Sept. 30. Cigna's property-casualty units had a profit of $198 million in 1997.

Cigna's domestic property-casualty unit is the 20th-largest U.S. business insurer, with 1997 net premiums of about $1.6 billion. Its international division had about $1.8 billion in premiums in 1997. ACE had $883 million in premiums in its latest year.

ACE's shares rose 18.75 cents to close at $33.125; Cigna was up $1.375 at $84.875.

Cigna plans to use the proceeds from the ACE transaction to buy back stock, make acquisitions and grow internally. A spokesman said any acquisitions would be added to the company's employee-benefits businesses.

INTEREST RATES

Tuesday, Jan. 12

Government Debt

	3-month	6-month	1-year	2-year	5-year	10-year
Britain	5.50	—	—	4.802	4.428	4.359
France	2.99	2.95	2.95	3.051	3.316	3.87
Germany	3.24	3.01	—	2.976	3.242	3.772
Italy	2.10	2.23	2.17	3.143	3.42	3.98
Japan	0.26	0.295	—	0.605	1.205	1.82
Spain	3.05	3.00	2.90	3.052	3.457	3.974

United States	3-month	1-year	2-year	5-year	10-year	30-year
Yield	4.47	4.54	4.65	4.67	4.81	5.21
Price	4.37	4.34	99-30	98-06	99-15	100-17

Source: Bloomberg.

Money Market Rates

United States	Today	Prev
Discount rate	4½	4½
Prime rate	7¾	7¾
Federal funds	4⅞	5¼
90-day Certs Deposit	4.95	4.95
180-day Com. Paper	4.75	4.69
Japan		
Discount rate	0.50	0.50
Call money	0.22	0.21
1-month interbank	0.60	0.40
3-month interbank	0.65	0.65
6-month interbank	0.67	0.67
Euro zone		
Repo rate	3.00	3.00
EONIA	3.20	3.21
Euribor 1-month	3.21	3.21
Euribor 3-month	3.19	3.19
Euribor 6-month	3.15	3.16
Euribor 12-month	3.12	3.13

Britain	Today	Prev
Base rate	6.00	6.00
Call money	5¹³⁄₁₆	5⅝
1-month interbank	6¹⁄₁₆	6¹⁄₁₆
3-month interbank	5⅞	5⅞
6-month interbank	5¹¹⁄₁₆	5¹¹⁄₁₆

Sources: Reuters, Bank of Tokyo-Mitsubishi.

Libor Rates

	1-month	3-month	6-month	12-month
Dollar	5.0025	5.0603	5.0888	5.1775
Euro	3.2088	3.1872	3.152	3.1244
Sterling	6.1364	5.9179	5.6506	5.4503
Yen	0.4289	0.5459	0.5509	0.5566
Sw Franc	1.2513	1.355	1.4763	1.6363

Source: Reuters.

Gold Fixings

	Morning	Afternoon	Change
London	291.40	289.90	-2.50

U.S. dollars per ounce. Source: Reuters.

Forward Rates

	30-day	60-day	90-day
Pound Sterling	1.6312	1.6298	1.6287
Canadian dollar	1.5101	1.5100	1.5098
Euro	1.1561		1.1595
Japanese yen	111.61	111.18	110.66
Swiss franc	1.3893	1.3855	1.3812

Source: Associated Press.

Trade Surplus Sets a Record In Germany

Compiled by Our Staff From Dispatches

WIESBADEN — Germany had a record trade surplus of 8.54 billion euros ($9.82 billion) in November, putting itself in position to post a new high for all of 1998, the Federal Statistics Office said Tuesday.

The November surplus was Germany's highest ever in a single month, the government said. It compared with surpluses of 6.44 billion euros in October and 5.8 billion euros in November 1997.

Some economists had expected the month's trade surplus to shrink as economic instability overseas, particularly in Asia, hurt exports. That impact is expected to slow the German economy but will not show up until later in 1999, said Gertrud Traud, economist at Bank Julius Baer in Frankfurt.

Most forward-looking economic indicators — such as growth predictions and manufacturing orders — point to a worsening economy, she said.

The Finance Ministry said Tuesday that industrial output fell 2.3 percent in November, largely because of weakness in manufacturing and construction. Economists had predicted a drop of about 0.5 percent. The deputy finance minister, Heiner Flassbeck, said there was a "danger" the unemployment rate could rise during 1999 as a slowing economy caused the labor market to deteriorate.

In December, the seasonally adjusted jobless rate rose for the first time in a year, to 10.8 percent from 10.7 percent in November. The government expects German economic growth to slow to about 2 percent in 1999 from about 3 percent in 1998, but some private economists' predictions are lower. The latest forecast from a major German research institute put growth in 1999 at 1.4 percent, compared with 2.8 percent in 1998.

"The correlation between unemployment and the growth rate is absolutely clear," Mr. Flassbeck said. "I am taking it very seriously because in the past we have seen that these kinds of dips are very dangerous." *(AP, AFP, Bloomberg)*

LVMH Raises Its Stake in Gucci

Purchase Likely to Lead to Takeover Bid, Analysts Say

Bloomberg News

PARIS — LVMH Moet Hennessy Louis Vuitton SA, the French luxury-goods maker, raised its stake in Gucci Group NV to more than 14.5 percent Tuesday, buying a 9.5 percent stake from another Italian fashion house, Prada.

Analysts said the move seemed likely to presage a bid for a full takeover of Gucci by the acquisitive LVMH.

LVMH would not comment immediately on its plans after paying $397.9 million to buy 5.64 million Gucci shares from Prada. But analysts said the chairman of LVMH, Bernard Arnault, was unlikely to be content with a minority stake.

"The question is when and at what price Arnault will buy out Gucci," said John Wakely, managing director of equity research at Lehman Brothers in London.

Gucci, which is best known for its leather goods but also makes shoes, ready-to-wear clothing and accessories, competes in some of those markets with LVMH and Prada. Gucci would give LVMH another brand to sell in the stores it owns, such as those of DFS Group Ltd., a luxury-goods and duty-free retailer it took control of two years ago.

LVMH, the maker of Louis Vuitton bags as well as Christian Dior and Givenchy perfumes, paid $70.50 a share for Prada's stake in Gucci, Prada said in documents filed with the U.S. Securities and Exchange Commission.

Shares of Gucci finished at 57.90 euros ($66.53), down 2.65; those of LVMH fell 5.90 euros to 206.40.

LVMH said it and Prada "anticipate cooperating in order to achieve synergy in various areas of common interest, particularly in commercial and industrial matters." It did not elaborate on what it meant by closer cooperation with Prada.

Prada, co-owned by Patrizio Bertelli and his wife, Miuccia Prada, raised its stake in Gucci to 9.5 percent last year.

Mr. Wakely of Lehman Brothers said that if Gucci and LVMH were to reach a distribution agreement, LVMH might keep its stake at the present level.

LVMH, which also owns the Sephora perfume and cosmetic retailer, needs more branded products for DFS, analysts said.

"One thing LVMH needs to do is fill up the shelves with luxury brands," Mr. Wakely said.

"For a retailer the size of DFS, one could argue LVMH doesn't have enough brands that it owns itself."

Some analysts say LVMH could finance a purchase of Gucci with the sale of some or all of its 10.9 percent stake in the British food and beverage company Diageo PLC. Mr. Arnault stepped down from Diageo's board last month, prompting speculation about such a sale.

Arjo Wiggins to Split Into 3 Units

Moves by Papermaker Are Termed a Possible Prelude to a Sale

Compiled by Our Staff From Dispatches

LONDON — Arjo Wiggins Appleton PLC, the world's biggest maker of fine writing paper, said Tuesday that it would split into three separately managed units, a move that could be a prelude to selling businesses, analysts said.

The British-French maker of fax and fine art paper said it would restructure its activities along operational lines, rather than the current geographical organization, to increase value for investors.

Each of the three divisions to emerge from the revamping will be managed by its own chief executive and board, after the resignation Tuesday of the chief executive, Philippe Beylier, who will not be replaced.

Like other papermakers, Arjo Wiggins has been battered in recent years by weakness in prices, because of lower Asian demand linked to the region's financial crisis. The group has benefited from low prices for pulp, its principal raw material, but this has not offset the downward trend in paper prices.

Arjo Wiggins started a cost-cutting program in 1995 to cope with competition and shrinking profit. Analysts said the changes announced Tuesday would be the first step in a sale of some businesses as it also tried to lift its shares, down more than 40 percent in the past six months. Arjo Wiggins shares closed at 115 pence ($1.87), up 5.5, in London and at 1.65 euros ($1.90), up 0.06, in Paris.

The company is preparing to "divest efficiently and quickly one of the divisions," said Christian Georges, an analyst at Credit Lyonnais Securities Europe, who has a "buy" recommendation on the stock. "They're closer to refocusing the group on a given area and we think their strong area is paper" sales and distribution.

The three divisions will be a carbonless and thermal paper unit; a premium fine, specialty and coated papers unit; and a marketing division, which the company calls "merchanting." The reorganization follows the company's announcement in July that it would review its carbonless and thermal paper assets around the world.

"The change in management focus allows us a clear vision as to what is best for the future of each of our businesses, but at the same time ensures that nothing is ruled out from the group perspective," said the nonexecutive chairman, Ken Minton, who will become executive chairman, taking on some of Mr. Beylier's duties. *(Bridge News, Bloomberg)*

Vickers Plans Arms Venture With Giat

Bloomberg News

LONDON — Vickers PLC, the main supplier of tanks to the British Army, and Giat Industries, a French state-owned armaments maker, said Tuesday they would jointly make armored vehicles to cut costs and offset the impact of falling orders.

Vickers, which developed the tank more than 80 years ago, faces declining orders for its main vehicle, the Challenger II, while Giat, which makes the Leclerc 88 tank, has relied on state subsidies to offset losses in recent years. The companies have combined sales of $3 billion and could reduce development costs and jobs by uniting, analysts said.

"It makes sense to come together and divide the spoils rather than compete against each other," said Tony Lancelott, an analyst at Capel Cure Sharp in London.

A sharp drop in military spending since the end of the Cold War has prompted contractors to consider alliances. Particularly in Europe, companies are holding cross-border discussions as they aim to form bigger competitors to U.S. defense companies.

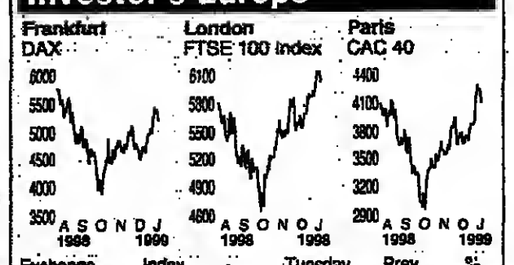
Giat and Vickers said an announcement of their venture was imminent after several months of talks. Both companies cautioned that the exact form of the venture had not been decided.

Vickers is unlikely to pursue an outright merger of its defense business with Giat because it would want to protect its shareholders from the "substantial" costs of restructuring the French company, said Mark Dichlian, an analyst at Paribas.

Both companies have cut jobs as business has slowed. Giat said it planned to trim one-third of its work force, or 3,550 jobs, and close three plants. Vickers, which also makes turbines and marine propellers, is closing its tank-making plant in Leeds, England, and cutting 650 defense-related jobs.

Vickers was the biggest British maker of armored vehicles until Alvis PLC bought the armored vehicle business of GKN PLC last year. Vickers is expanding its nonmilitary business to reduce its dependence on the defense industry.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	536.24	545.77	-1.75
Brussels	BEL-20	3,496.83	3,540.30	-1.23
Frankfurt	DAX	5,200.10	5,270.60	-1.34
Copenhagen	Stock Market	646.79	646.47	+0.05
Helsinki	HEX General	6,055.45	6,055.55	-0.01
Oslo	OBX	537.65	549.19	-2.10
London	FTSE 100	6,033.60	6,085.00	-0.84
Madrid	Stock Exchange	885.27	912.46	-2.98
Milan	MIBTEL	24119	24655	-2.17
Paris	CAC 40	4,100.70	4,176.57	-1.82
Stockholm	SX 16	4,009.23	4,083.77	-1.83
Vienna	ATX	1,127.60	1,137.33	-0.86
Zurich	SPI	4,649.22	4,676.18	-0.58

Source: Telekurs International Herald Tribune

Very briefly:

- **EasyJet Airline Co.** of Britain posted a profit of £2.3 million ($3.7 million) for the year ended Sept. 30, its first profit since it was started three years ago, as it benefited from a boom in "no-frills" air travel in Europe after deregulation of the industry. EasyJet had a loss of £3.3 million in the previous year.
- **Cortecs PLC** reduced its work force by about 25 percent last week as part of a cost-cutting effort. The British drug-development company, which jarred investors last month when it disclosed major delays in drug development, cut 75 employees from its worldwide staff of 300.
- **The European Union's** index of business confidence rose in December to 103.7 from a revised 103.4 in November as consumers remained upbeat, the European Commission said. Business confidence in the 11 countries in Europe's single-currency zone was unchanged at 104.2 in December.
- **France's** inflation rate in 1998 fell to its lowest level in 44 years, according to the national statistics institute INSEE. The consumer price index rose an average 0.7 percent in 1998 from a year earlier, the smallest increase since 1954, when prices fell an average 0.3 percent.
- **Autostrade SpA** is holding talks with MCI-WorldCom Inc., the second-largest U.S. long-distance phone company, and others on how to use the cable network of Italy's biggest toll-highways operator.
- **Mergers and acquisitions** involving German companies almost tripled in value in 1998 from a year earlier, to 226 billion euros ($260 billion), according to M&A International GmbH.
- **Sears PLC**, a British retailer, said it was holding talks that could lead to the sale of its in-store credit-card subsidiary, Creation Financial Services Ltd. Analysts said Creation could bring in as much as £120 million. *Bloomberg, Reuters*

WORLD STOCK MARKETS

Tuesday, Jan. 12
Prices in local currencies;
In euros for EMU countries.
Telekurs

Amsterdam
www.aex.nl — AEX index: 536.24 Previous: 545.77

	High	Low	Close	Prev.
ABN-AMRO	19.25	18.45	19.15	18.80
Aegon	101.25	95.50	96.00	101.00
Ahold	34.80	33.60	34.70	33.45
Akzo Nobel	35.00	32.00	33.20	35.00
ASM Litho.	35.80	34.15	34.50	34.85
ASR Verz.	81.00	78.40	79.20	81.05
Baan Co.	12.55	11.15	11.35	12.60
Bols Wess cvo	11.10	10.65	10.70	11.05
Buhrmann	13.10	12.15	12.25	12.80
Cap Gemini	57.30	54.75	56.00	57.60
CSM cvo	49.20	49.10	49.20	49.45
Dordtsche Pet	34.85	33.95	34.55	34.20
DSM	80.50	79.55	79.75	80.00
Elsevier	12.55	12.15	12.20	12.40
Fortis NL	35.45	33.75	33.75	35.20
Getronics	46.70	43.60	44.00	45.00
Hagemeyer	33.20	30.80	31.55	32.75
Heineken	50.50	48.10	48.85	50.05
Hoogovens cvo	28.45	27.60	27.85	28.75
Hunt Douglas	24.00	23.00	23.15	23.45
IHC Caland	36.85	35.30	35.95	36.75
ING Group	55.70	53.25	54.00	54.75
KLM	27.05	26.79	27.00	27.00
KPN	47.15	43.15	45.00	44.80
Nedlloyd	10.90	10.50	10.45	10.80
Numico	41.90	39.50	40.40	39.30
Oce	30.40	27.80	28.50	30.25
Philips Elec	66.00	63.10	63.40	65.00
Randstad Hdg	41.70	40.45	41.00	40.55
Robeco	108.20	107.10	107.10	107.80
Rodamco	21.85	21.40	21.50	21.50
Rolinco	93.30	92.70	92.70	93.25
Rorento	60.50	60.15	60.15	60.10
Royal Dutch	39.55	38.60	39.00	39.00
TNT Post Group	28.20	26.50	36.75	27.85
Unilever cvo	73.45	71.05	72.05	73.00
Vendex	20.75	19.70	19.85	20.30
VNU	35.30	33.50	34.10	34.90
Wolters Kl cvo	181.20	173.00	175.50	177.65

Athens
www.ase.gr — Composite index: 2983.34 Previous: 2963.56

	High	Low	Close	Prev.
Commercial Bk	30700	29950	30410	30990
Ergo Bk	35900	35100	35800	35900
Hellenic Bottlg	9890	9265	9715	9450
Hellenic Telcom	8395	8210	8395	8480
Heracles Cemnt	8250	8000	8100	8250
Natl Bank	68000	66810	67100	68000
Titan Cement	23100	22410	23100	22990

Bangkok
www.set.or.th — SET index: 399.81 Previous: 399.20

	High	Low	Close	Prev.
Adv Info Svc	256.00	246.00	252.00	250.00
Bangkok Bk F	80.00	70.00	80.00	80.50
BEC World	204.00	195.00	199.00	206.00
Delta Electron.	194.00	192.00	193.00	195.00
Elec. Gener. F	95.00	92.00	93.00	93.00
Krung Thai Bk	22.00	21.00	21.75	21.50
PTT Explor F	314.00	292.00	306.00	316.00
Siam Cement F	800.00	792.00	792.00	804.00
Telecomasia F	20.00	19.50	20.75	20.00
Thai Airways	60.00	58.00	59.00	61.50
Thai Farm Bk F	80.00	77.50	79.50	78.00

Bombay
www.bse-india.com — Sensex 30 index: 3353.22 Previous: 3433.21

	High	Low	Close	Prev.
Bajaj Auto	560.00	533.00	540.75	563.75
Bharat Hvy El	295.90	278.00	285.30	286.75
Bharat Petlm	255.00	246.00	254.60	255.00
Hindust Lever	1750.00	1698.00	1715.75	1752.25
Hindust Petlm	264.00	255.30	263.90	263.20
Ind Dev Bk	42.60	41.00	42.00	43.10
ITC	839.25	804.00	813.75	844.00
Larsen Toubro	199.30	192.70	196.60	200.50
Mahanagar Tel	201.80	190.50	192.90	203.00
Reliance Ind	147.00	140.50	143.20	147.60
State Bk India	187.90	180.00	185.50	188.50
Tata Eng Loco	221.50	206.20	213.00	223.00

Brussels
www.stockexchange.be — BEL-20 index: 3496.83 Previous: 3540.30

	High	Low	Close	Prev.
Almanij	74.30	72.50	74.10	74.40
Cobepa	74.70	70.60	72	74.70
Delhaize Lion	79.30	76	76.45	79
Dexia Belgium	139.80	136.00	136.80	137
Electrabel	406	400	402	401.10
Electrafina	114	112.50	113.80	113.10
Fortis B	34.88	33.65	33.55	34.64
GBL	173.20	168.10	169	169.70
KBC Bankassur	71.90	70.70	71.20	72.20
Petrofina	437	424	435.20	427.50
Royale Belge	340.40	340.40	340.40	340.40
Solvay	61.80	60.70	60.85	61.70
Tractebel	169.80	165.20	162	168.80
UCB	50.50	48.52	49	50

Buenos Aires
www.bcba.sba.com.ar — Merval index: 411.11 Previous: 436.81

Monday, Jan. 11

	High	Low	Close	Prev.
Banco Frances	6.50	6.25	6.25	6.85
Bco Galicia BA	3.85	3.73	3.76	4.00
Perez Companc	4.51	4.45	4.46	4.57
Renault Arg	1.15	1.14	1.15	1.18
Siderar A	2.25	2.22	2.25	2.35
Siderca	1.65	1.00	1.00	1.07
Telecom Arg B	5.11	4.97	5.00	5.16
Telefonica B	2.62	2.55	2.59	2.69
YPF D	21.25	30.40	30.90	31.20

Copenhagen
www.xcse.dk — Stock index: 646.79 Previous: 646.47

	High	Low	Close	Prev.
Carlsberg B	352	345	352	353.80
Danisco	347	339	341.76	342.14
Den Danske Bk	873	857	860	865.70
D/S Svendborg B	60681	60000	60154	60000
D/S 1912 B	42500	41500	42000	42000
Kapital Hdg	318	311	315	320
Nvo Nordisk B	840	825	830	833
Rotin B	1385	1370	1380	1375
Tele Danmk B	940	920	930	929
Unidanmark A	580	565	573	575

Frankfurt
www.exchange.de — DAX: 5200.10 Previous: 5270.60

	High	Low	Close	Prev.
AMB R	123.00	115.00	118.00	118.00
Adidas	93.50	93.00	93.10	93.20
Allianz	343.00	333.00	335.00	338.50
Altana	41.80	41.00	41.80	40.25
Audi	762.00	760.00	760.00	740.00
Axa Colonia	102.00	100.00	101.50	100.00
Bk Berlin	13.30	13.10	13.10	13.30
BASF	32.80	31.30	31.50	31.75
Bayer	36.35	34.40	34.70	35.90
Bay Hyp Verbk	66.90	63.50	64.20	66.50
Beiersdorf	61.00	58.00	60.50	59.00
Bewag	27.50	25.50	26.95	25.00
BHW Holding	14.20	14.05	14.10	14.05
BMW	717.00	686.00	686.00	708.00
Commerzbank	28.10	27.05	27.30	27.00
DaimlerChrysler	92.80	91.10	91.50	92.10
Degussa	45.50	44.00	44.80	44.00
Deutsche Bank	56.50	53.50	53.85	56.05
Deut Telekom	33.40	31.70	32.85	31.90
Dresdner Bank	41.80	38.80	39.30	41.70
Energie BW	36.00	36.00	36.00	36.00
Ergo Vers.	136.00	129.00	130.00	135.00
Fresenius	155.00	155.00	157.00	157.00
Fresenius Med	60.50	57.50	59.50	59.80
Fr. Krupp Hoes	126.60	123.00	125.00	124.00
Gehe	57.00	56.50	50.50	57.00
Heidelbg Zmt	68.00	64.00	64.50	68.00
Henkel pfd	73.00	70.50	71.50	71.00
Hoechst	35.90	34.85	34.85	35.70
Karstadt	424.00	414.00	420.00	422.00
Lahmeyer	39.90	39.10	39.10	39.50
Linde	483.00	466.00	482.00	467.00
Lufthansa R	20.50	19.50	19.70	20.10
MAN	237.50	231.00	231.00	235.00
Mannesmann	117.50	110.30	113.50	112.25
Metallgesellschaft	12.45	12.00	12.10	11.95
Metro	62.50	64.50	64.80	67.50
Munch Rueck R	460.00	450.00	453.00	446.00
Preussag	430.00	421.00	421.50	427.00
RWE	48.70	45.70	46.10	48.40
RWE-DEA	242.50	218.00	218.00	242.50
SAP	315.00	295.00	295.00	310.00
Schering	117.20	112.00	114.50	115.20
Siemens	63.20	61.40	61.77	61.10
Springer (Axel)	760.00	755.00	755.00	750.00
Thyssen	147.50	162.50	165.80	165.50
Veba	53.10	50.50	50.85	52.10
VEW	260.00	257.50	257.50	250.00
Viag	494.00	415.00	478.00	481.00
Volkswagen	77.00	72.50	74.50	74.60
Wuerttem. Vers.	2850.00	2850.00	1445.00	1445.00

Helsinki
www.hse.fi — HEX General index: 6055.45 Previous: 6055.55

	High	Low	Close	Prev.
Cultor 2	8.25	8.00	8.20	7.83
Huhtamaki I	33.00	32.00	32.00	33.00
MeritaNordbanken	5.53	5.39	5.40	5.55
Metra B	17.50	16.50	14.50	15.70
Nokia A	120.00	114.30	117.30	116.20
Orion-Yhtymae	21.50	21.01	21.01	21.50
Outokumpu	9.10	8.85	9.05	8.82
Pohjola Ins. B	57.50	54.50	56.30	54.51
Raisio V	11.20	10.00	10.40	10.70
Sampo Ins. A	40.59	38.50	40.33	38.40
Stora Enso R	8.07	7.90	7.95	7.95
UPM Kymmene	25.80	25.00	25.80	25.62

Hong Kong
www.sehk.com.hk — Hang Seng: 10711.50 Previous: 10634.50

	High	Low	Close	Prev.
Amoy Props	5.95	5.85	5.95	5.95
Bk East Asia	13.35	12.70	13.30	13.35
Beijing Ent.	10.55	10.25	10.35	10.65
Cathay Pacific	8.80	8.60	8.75	8.60
Cheung Kong	62.00	59.50	61.50	60.50
CK Infrastruct	17.30	17.00	17.00	17.05
China Merchant	4.88	4.80	4.85	4.90
China Overseas	0.97	0.92	0.93	0.97
China Resource	11.00	11.55	11.45	11.75
CLP Holdings	39.80	38.90	39.80	39.20
Citic Ka Wah Bk	2.35	2.27	2.38	2.38
Citic Pacific	18.20	17.30	18.00	17.70
Cosco Pacific	3.42	3.25	3.27	3.40
Dao Heng Bk	25.30	24.45	25.20	25.25
Hang Lung Dev	9.00	8.70	8.85	8.85
Hang Seng Bk	77.00	72.00	76.25	74.00
Henderson Inv	4.75	4.60	4.72	4.70
Henderson Ld	42.00	40.10	42.00	41.20
HK China Gas	10.10	9.80	10.05	10.10
HK Electric	24.70	23.75	24.30	24.70
HK Telecomm	14.05	13.80	14.00	14.30
HSBC Hdgs	207.00	200.00	205.00	204.00
Hutchison Wh	60.25	56.75	59.25	57.75
Hysan Dev.	12.30	11.70	11.95	12.40
Johnson El Hdg	19.70	19.30	19.50	20.00
Natl Mutual	5.60	5.30	5.50	5.40
New World Dev.	19.90	19.25	19.50	20.95
New World Infr.	12.30	12.10	12.15	12.45
Shanghai Ind.	15.35	15.20	15.25	15.40
Shangri-La Asia	7.55	7.50	7.50	7.40
SHK Props	59.25	57.50	58.75	58.75
Sino Land Co.	4.56	4.42	4.50	4.55
Swire Pac A	39.00	37.20	38.90	37.60
Wharf Hdgs	11.90	11.55	11.65	11.75
Wheelock	6.50	6.35	6.50	6.45
Yue Yuen Ind.	13.90	13.90	13.90	14.00

Istanbul
www.ise.org — National 100 index: 2467.78 Previous: 2578.55

	High	Low	Close	Prev.
Akbank	6400	6100	6200	6400
Anadolu Isuzu	9500	9100	9200	9500
Haci Omer Sab	4860	4700	4850	4900
KOC Holding	25000	24000	24500	25000
Tupras	15800	14250	14500	14750
Turk Hava	13750	13250	13250	13500
Turk Bankasi	8800	8400	8800	8600

Jakarta
www.jsx.co.id — Composite index: 426.19 Previous: 437.20

	High	Low	Close	Prev.
Astra Intl	1075	1000	1075	1000
Gudang Garm	11800	11525	11650	11600
Indah Kiat	2600	2375	2400	2500
Indocement	3325	3175	3175	3100
Indofood	5900	5575	5650	5750
Indorama Syn	1475	1425	1425	1500
Indosat	12700	12100	12300	12000
Sampoerna HM	7100	6950	6950	7175
Semen Gresik	9025	9000	9000	9000
Telekomunikasi	3450	3325	3400	3425
Texmaco Perk	2900	2875	2875	2900
Timah	5425	5300	5400	5300

Johannesburg
www.jse.co.za — All Market: 5842.97 Previous: 5880.27

	High	Low	Close	Prev.
ABSA Group	32.20	31.30	31.45	31.00
AngloAm Corp	173.60	166.00	173.00	166.00
AngloAm Ind	93.00	88.00	93.00	88.00
AngloAm Plat	92.50	88.50	92.00	88.00
Barlow	26.20	25.80	25.80	26.00
Bidvest Grp	46.20	45.75	45.75	46.50
Billiton	12.00	11.35	11.70	11.50
BOE	4.78	4.32	4.37	4.78
Comparex Hdgs	55.00	53.30	53.30	53.80
Coronation N	88.00	85.00	85.00	80.00
De Beers	85.50	82.60	85.00	82.50
Dimension Data	28.00	27.00	27.10	27.65
Fedsure Hdgs	50.80	49.75	49.60	50.70
FirstRand	7.90	7.55	7.55	7.71
Genbel Sec	30.75	29.00	29.10	30.80
Imperial Hdgs	40.40	39.80	40.00	40.00
Investec Hdgs	203.00	200.00	202.00	202.80
Johnnies Indl	31.00	31.00	30.90	31.00
Liberty Hdgs	230.00	225.20	228.40	225.20
Liberty Life	94.00	91.00	92.00	91.00
LibLife Strat	14.90	14.90	14.80	15.20
Mat Life	9.01	8.80	9.01	8.95
Minorco	93.60	92.40	93.50	92.40
Nampak	9.20	9.10	9.12	9.20
Nedcor	121.00	118.20	118.60	119.20
Primedia Uts	15.40	15.00	15.60	16.00
Rembrandt Gp	44.00	42.50	43.00	42.80
Richemont	102.00	99.20	100.60	102.40
SA Breweries	106.00	104.00	104.20	105.00
Sasol	25.15	24.30	25.00	24.30
SBIC	18.80	18.20	18.45	18.70
Smith (C.G.)	14.40	14.00	14.00	14.15
Tiger Oats	60.00	57.00	57.40	59.50

Kuala Lumpur
www.klse.com.my — Composite: 592.32 Previous: 598.44

	High	Low	Close	Prev.
Berjaya Sports	5.70	5.45	5.55	5.65
Genting	9.45	9.05	9.45	9.15
Golden Hope	3.90	3.82	3.90	3.90
KL Kepong	6.50	6.45	6.50	6.50
Magnum	2.05	1.96	2.00	2.03
Mal Banking	7.85	7.65	7.70	7.75
Mal Intl Ship F	8.00	5.80	5.90	5.95
Petronas Gas	9.10	8.95	9.00	9.00
Public Bk F	2.57	2.34	2.55	2.51
Resorts World	5.20	5.05	5.15	5.15
RHB Capital	2.41	2.30	2.33	2.38
Rothmans PM	Susp.	Susp.	Susp.	22.80
Sime Darby	4.46	4.38	4.46	4.40
Telekom Mal	9.50	9.10	9.15	9.50
Tenaga	7.45	7.30	7.40	7.40
YTL	5.25	5.05	5.20	5.20
YTL Power	3.16	2.99	3.00	3.10

London
www.stockex.co.uk — FT-SE 100: 6033.60 Previous: 6085.00

	High	Low	Close	Prev.
Abbey Natl	13.37	12.85	13.27	12.97
Alliance Leic	8.77	8.57	8.71	8.70
Allied Domecq	6.16	5.85	6.20	5.98
Allied Zurich	9.94	9.41	9.54	9.94
Amvescap	5.82	5.40	5.45	5.70
Anglian Water	8.08	7.89	7.97	8.06
ASDA Group	1.63	1.59	1.62	1.60
Assoc Br Foods	5.90	5.35	5.46	5.71
BAA	7.25	7.10	7.24	7.18
Bank Scotland	7.83	7.56	7.67	7.59
Barclays	14.38	13.07	14.15	14.11
Bass	8.79	7.97	8.73	8.80
BritAm Tobacco	8.56	4.51	4.53	6.38
BG	3.84	2.08	3.84	3.86
Billiton	1.24	1.18	1.20	1.19
Blue Circle	3.05	2.89	3.00	3.00
BOC Group	8.54	8.28	8.45	8.45
Boots	10.28	10.00	10.26	10.05
Britannic	12.78	12.55	12.49	12.74
Brit Aerosp	5.14	5.00	5.07	5.07
Brit Airways	4.14	3.95	4.11	4.01
Brit Energy	6.77	6.66	6.67	6.87
Brit Land	5.10	5.00	5.08	4.97
BP Amoco	9.13	8.88	9.00	9.00
Brit Steel	1.10	1.03	1.06	1.10
Brit Telecom	10.35	9.12	9.42	9.47
BSkyB	4.93	4.24	4.33	4.41
BTR	1.19	1.16	1.17	1.17
Burmah Castrol	8.80	8.30	8.49	8.51
Cable Wireless	8.81	8.35	8.69	8.76
CW Comms	6.90	6.61	6.78	6.82
Cadbury Schw	10.20	9.88	10.16	10.07
Carlton Comm	5.59	5.39	5.48	5.39
Centrica	1.20	1.16	1.20	1.20
CGU	9.40	9.04	9.33	9.23
Compass Group	7.50	7.20	7.46	7.44
Daily Mail A	28.50	27.90	27.92	27.60
Diageo	7.08	6.88	6.99	7.19
Dixons Group	9.24	8.82	9.15	8.65
EMAP	10.94	10.40	10.92	10.95
EMI Group	4.10	3.90	4.09	4.07
Enterprise Oil	2.80	2.74	2.78	2.77
Gallaher Group	4.19	4.05	4.15	4.05
GEC	5.72	5.50	5.64	5.49
GKN	7.77	7.58	7.75	7.74
Glaxo Wellcome	22.73	21.68	22.57	22.62
Granada Group	11.53	10.31	11.49	11.44
GRE	3.45	3.32	3.44	3.42
GUS	6.14	5.81	6.13	6.11
Halifax	8.06	7.74	7.98	8.06
Hays	6.41	5.81	6.04	6.07
HSBC Hdgs	16.80	16.01	16.57	16.10
HSBC Hdgs 75p	18.04	13.80	17.82	17.28
ICI	5.19	4.83	5.02	4.83
Impl Tobacco	6.82	6.26	6.41	6.38
Kingfisher	6.73	6.20	6.50	6.64
Ladbroke	2.52	2.36	2.50	2.46
Land Sec	7.90	7.65	7.76	7.82
Lasmo	1.06	1.01	1.03	1.06
Legal Genl Grp	8.15	7.84	8.08	8.12
Lloyds TSB Grp	8.96	7.72	8.92	8.69
Lucas Varity	2.28	2.23	2.27	2.23
Marks Spencer	4.22	4.00	4.04	4.08
MEPC	4.44	4.28	4.35	4.36
Misys	4.92	4.61	4.79	4.88
National Grid	5.10	4.95	5.05	5.08
National Power	5.20	5.07	5.14	5.12
NatWest	12.12	11.60	11.74	11.89
Next	5.75	5.54	5.65	5.70
Northern Rock	5.80	5.66	5.76	5.67
Norwich Union	4.84	4.65	4.75	4.68
Nycomed Amer	4.30	4.07	4.08	4.11
Orange	9.55	8.94	9.34	9.29
P&O	6.45	6.27	6.35	6.38
Pearson	13.04	12.74	13.02	12.87
PowerGen	8.00	7.74	7.91	7.75
Provident Fin	9.50	9.04	9.14	9.05
Prudential	9.81	9.37	9.55	9.40
Railtrack Group	14.80	14.50	14.72	14.59
Rank Group	2.19	1.97	2.06	2.20
Reckitt Colman	7.75	7.40	7.52	7.31
Reed Intl	5.06	4.89	4.97	4.92
Rentokil Initial	4.65	4.52	4.56	4.55
Reuters Group	7.86	7.50	7.56	7.63
Rio Tinto R	7.38	7.06	7.32	7.04
RMC Group	6.86	6.55	6.60	6.89
Rolls Royce	2.49	2.44	2.46	2.49
Royal Bk Scot	10.87	10.60	10.76	10.86
Royal & Sun All	5.36	5.18	5.28	5.34
Safeway	2.88	2.82	2.85	2.85
Sainsbury	4.73	4.58	4.65	4.66
Schroders	11.75	11.40	11.49	11.30
Scot Newcastle	7.48	7.10	7.15	7.42
Scot Power	6.49	6.21	6.33	6.50
Scot South Eny	6.20	6.08	6.13	6.10
SEMA Group	6.70	6.49	6.56	6.71
Severn Trent	9.59	9.25	9.44	9.42
Shell Transp R	3.52	3.46	3.48	3.46
Siebe	2.25	2.16	2.18	2.22
SmithKline	8.99	8.61	8.93	8.95
Smiths Ind	8.67	8.46	8.63	8.60
Stand Charter	8.42	8.09	8.33	8.25
Sun Life Prov	5.80	5.35	5.62	5.68
Tate & Lyle	3.73	3.19	3.40	3.59
Tesco	1.89	1.74	1.85	1.79
Thames Water	10.82	10.50	10.70	10.94
3i Group	6.28	6.18	6.20	6.26
TI Group	3.29	3.21	3.25	3.29
Tomkins	2.35	2.19	2.19	2.28
Unilever	6.81	6.56	6.65	6.89
Utd News	5.14	5.05	5.09	5.05
Utd Utilities	7.96	7.83	7.90	7.97
Vodafone	11.00	10.63	10.75	10.70
Whitbread	7.85	7.50	7.84	7.82
Williams Hdgs	3.21	3.06	3.19	3.20
Wolseley	4.09	3.72	4.05	3.82
Woolwich	3.41	3.35	3.37	3.36
WPP Group	4.36	4.19	4.30	4.33
Zeneca	28.10	27.28	27.77	27.82

Madrid
www.bolsamadrid.es — Bolsa index: 885.27 Previous: 903.82

	High	Low	Close	Prev.
Acciona	59.40	57.10	57.70	58.50
ACESA	14.90	13.53	13.89	14.50
Aguas Barcelon	61	55.80	58.40	58.90
Argentaria	22.84	21.95	22.10	22.20
BBV	14.30	13.50	13.52	14.20
Banesto	11.25	11	11.01	11.15
Bankinter	32.35	29.97	30.20	31.30
Bco Centro Hisp	10.32	9.90	9.95	10.08
Bco Popular	64.50	60.40	61.40	63.70
Bco Santander	16.68	16.16	16.23	16.65
Catalana Occid	22.94	22.50	22.70	22.94
CEPSA	32.50	31.72	31.90	32
Continente	30.89	28.32	29.89	29.70
Corp Mapfre	23	21.70	22	22.89
Endesa	25.51	24.50	25.21	24.85
FECSA	10.81	10.44	10.74	10.52
Fom Constr	62	60.10	60.90	61.50
Gas Natural	98.85	92.05	92.05	92.75
Iberdrola	17.48	16.97	17.11	17.30
Pryca	21.50	20.50	21.14	21.07
Repsol	49.88	48.30	48.45	49.50
Sevillana Electr	13.52	13	13.45	13.23
Tabacalera	22.94	22	22.03	22.53
Telefonica	42.25	39.98	40	41.35
Union Fenosa	15.69	14.81	14.90	15
Valenc Cement	12.98	12.52	12.88	12.80

Manila
www.pse.com.ph — PSE index: 2148.44 Previous: 2139.44

	High	Low	Close	Prev.
Ayala	14.50	14.00	14.50	14.50
Ayala Land	13.00	12.50	12.75	12.75
Bk Philip Isl	97.00	95.00	96.00	96.50
Manila Elec A	94.50	87.50	92.50	87.50
Manila Elec B	137.00	125.00	130.00	126.00
Metro Bank	320.00	310.00	320.00	310.00
Petron	5.70	5.20	5.20	5.50
Phil Long Dist	1015.00	1005.00	1015.00	1015.00
San Miguel A	58.00	56.50	56.50	58.00
San Miguel B	64.00	63.00	63.00	64.00
SM Prime Hdg	7.30	7.10	7.30	7.30

Mexico
www.bmv.com.mx — Bolsa index: 3474.43 Previous: 3592.20

	High	Low	Close	Prev.
Alfa A	25.20	24.50	25.20	25.85
Banacci B	9.84	9.24	9.54	9.84
Bancomer B	1.64	1.51	1.58	1.59
Bimbo A	16.00	15.80	16.00	16.14
Carso A1	28.00	27.30	27.40	28.30
Carso Gl Tel A1	30.50	29.95	29.95	31.10
Cemex CPO	20.65	20.40	20.55	21.00
Cifra C	10.24	10.00	10.06	10.57
Inbursa B	N.T.	N.T.	N.T.	18.00
KimClark Mx A	24.95	24.25	24.90	24.80
Televisa CPO	109.30	107.50	107.50	110.60
TelMex L	22.70	22.10	22.20	22.90

Late trading

Milan
www.borsaitalia.it — MIB Telematico: 24119.00 Previous: 24655.00

	High	Low	Close	Prev.
Alleanza Assic	12.75	12.20	12.25	12.55
Bca Comm Ital	6.32	5.99	6.01	6.35
Bca Fideuram	6.39	5.99	6.05	6.46
Bca Intesa	5.26	4.90	4.97	5.30
Bca PopVerona	80.45	78.50	78.70	79
Bca di Roma	1.49	1.40	1.43	1.48
Benetton	1.77	1.70	1.74	1.77
Compart	0.69	0.65	0.65	0.69
Edison	10.60	9.60	10.20	10.60
ENI	6.01	5.70	5.85	5.82
Fiat	3.21	3.08	3.10	3.14
Fondiaria Assic	5.21	5.08	5.13	5.22
Generali Assic	38	37	37.40	38.40
IFIL rnc	2.34	2.25	2.29	2.30
INA	2.33	2.24	2.25	2.27
Italgas	4.86	4.60	4.72	4.72
Mediaset	7.80	7.06	7.22	7.62
Mediobanca	11.00	11.20	11.30	12
Montedison	1.13	1.05	1.08	1.12
Olivetti	3.21	2.96	3	3.17
Parmalat	1.56	1.47	1.49	1.55
Pirelli	2.81	2.60	2.60	2.77
RAS	12.10	11.60	11.60	12
Rolo Banca	23.80	22.30	23.20	23.50
S Paolo-IMI	15.90	15.45	15.50	15.85
Telecom Italia	8.09	7.71	7.94	7.89
TIM	6.40	6.14	6.19	6.42
Unicredito Ital	5.07	4.74	4.80	5.07

Montreal
www.me.org — Industrials index: 3578.56 Previous: 3579.17

	High	Low	Close	Prev.
BCE Mob Com	46.00	45.25	46.00	45.55
Biochem Pharma	42.40	41.15	41.85	41.50
Cdn Util A	48.65	48.50	48.65	48.40
CT Finl Svc	56.75	56.10	56.10	56.00
Gt-West Lifeco	29.50	28.25	29.25	28.60
Imasco	33.35	33.05	33.30	33.10
Investors Grp	25.85	25.80	25.80	26.00
Loblaw Cos	36.60	36.25	36.40	36.70
Natl Bk Canada	24.80	24.60	24.70	24.90
Power Corp	35.20	34.60	34.90	34.85
Power Finl	35.25	34.80	35.10	35.00

Late trading

Oslo
www.ose.no — OBX index: 537.65 Previous: 549.19

	High	Low	Close	Prev.
Aker A	92.00	90.00	92.00	90.00
Aker Maritime	85.00	78.00	78.50	78.00
Bergesen Dy A	106.00	102.00	102.50	106.00
Christiania Bk	30.40	29.50	30.20	30.00
Den norske Bk	30.10	29.00	29.40	29.70
Kvaerner	146.50	142.50	144.00	145.00
Netcom	230.00	220.00	220.00	229.50
Norsk Hydro	282.00	272.00	272.00	282.00
Norske Skog A	229.00	218.00	218.00	227.00
Nycomed Amer	50.00	49.50	50.00	50.00
Orkla A	118.00	114.00	114.00	117.00
Petlm GeoSvc	127.00	122.50	124.00	125.00
Saga Petlm A	79.00	76.50	78.00	80.00
Schibsted	96.00	93.00	93.00	96.00
Storebrand	63.00	62.00	62.50	62.50

Paris
www.bourse-de-paris.fr — CAC-40: 4100.70 Previous: 4181.90

	High	Low	Close	Prev.
Accor	201	192	192	199.50
AGF	50.80	49.91	50.10	50.30
Air Liquide	156.70	151.50	152.30	152
Alcatel	117.70	111.10	112	115
Alstom	22.80	22.01	22.10	22.71
Axa	130	124.40	124.40	127.90
BIC	47	45.50	45.50	46.50
BNP	76.70	73.05	73.05	76
Bouygues	216.20	200.50	215	200.50
Canal Plus	229	223	223	232.90
Cap Gemini	149.90	136	136	156
Carrefour	689	665.50	668	682
Casino	90.50	88	88.95	90.90
CCF	76	73	73	70
Christian Dior	120	114.20	117	117
Danone	235.40	226.60	228	225.50
Dassault Sys	35	33.10	34.01	33.80
Dexia France	132	127.90	128.50	129.70
Elf-Aquitaine	106	103.60	106	105.50
Eridania BS	147	142	144	140.20
Essilor Intl	382	366	366	379.20
Eurodisney	1.17	1.15	1.15	1.13
Eurotunnel	1.11	1.08	1.08	1.09
France Telecom	74.40	71.00	71.80	72.85
Lafarge	86.10	80.50	80.90	85.85
Lagardere	38.72	36.85	36.85	37.98
Legrand	241.00	224.10	224.20	237
L'Oreal	633	597	597	615
LVMH	211.90	206	206.40	212.30
Michelin B	35.60	34.01	34.29	34.40
Paribas A	82.80	77.55	78.35	82.30
Pechiney A	29.50	28.55	29.40	29.80
Pernod Ricard	53.80	49.90	51	53.35
Peugeot Cit	138.40	133.00	136.50	138
Pinault-Print	176	165.50	172.50	173.50
Promodes	640	622	636	635
Renault	42	40.51	41.15	42.07
Rexel	81	78.15	80.40	78
Rh-Poulenc A	47	45.03	45.20	46.47
Sanofi	167.50	154.20	154.50	165
Schneider	54	51.65	52	53.90
STMicroelec	79.75	73.50	74	78
Ste Generale A	157.50	151.20	152.90	157.20
Sodexho Allianc	188	176.20	181	186.20
St Gobain	129	124.30	125.20	128.40
Suez Lyon Eaux	184.90	179	179.60	183
Synthelabo	213.80	190.10	190.10	211.90
Thomson CSF	35.70	33.65	34.50	35.50
Total B	98.30	95.55	98.20	96.10
Usinor	11.05	10.56	10.63	11.13
Valeo	72.90	67.45	67.45	68.10
Vivendi	244.70	237	239	240.10

Prague
www.pse.cz — PX 50 index: 407.60 Previous: 407.90

	High	Low	Close	Prev.
Cska Sporitelna	114.55	113	114.55	113.14
CEZ	682.50	666	682.50	671.10
Cska Plzeho	53.10	49.60	53.10	53.10
Komercni Bnka	397	386	391.60	389.20
SPT Telecom	489.90	476.90	486.10	488.10
Unipetrol	55.17	54.50	55.11	55.40

São Paulo
www.bovespa.com.br — Bovespa index: 5856.14 Previous: 6403.26

	High	Low	Close	Prev.
Bco Brasil Pfd	8.00	6.90	7.05	7.65
Bradesco Pfd	6.07	5.80	6.05	6.15
Brahma Pfd	488.00	460.00	485.00	485.00
Cemig Pfd	20.50	18.00	18.50	20.00
CESP Pfd	24.90	22.15	22.50	24.90
Copel Pfd B	7.60	6.40	6.78	7.80
Eletrobras	18.30	16.50	16.90	18.60
Eletropaulo Pfd	50.00	43.50	43.50	52.00
Gerdau Pfd	8.00	8.00	8.00	8.60
Itaubanco Pfd	500.00	460.00	490.00	505.00
Light Servicios	133.00	120.00	121.00	132.00
Petrobras Pfd	123.00	114.50	117.50	125.50
SABESP	80.00	73.99	74.00	81.90
Telebras Pfd	0.14	0.12	0.12	0.15
Telerj Pfd	31.00	29.00	30.50	32.02
Telesp Pfd	140.00	123.00	126.50	142.00
CVRD Pfd	15.00	16.30	15.00	15.00

Late trading

Seoul
www.kse.or.kr — Composite index: 631.15 Previous: 648.95

	High	Low	Close	Prev.
Daewoo Heavy	6600	6050	6150	6400
Hyundai Elec.	27800	26700	26500	26550
Kookmin Bank	10700	9800	10000	10800
Korea El Pwr	33800	31100	31500	33000
LG Electronics	18600	17000	17600	18600
LG Semicon	16200	14800	15300	15500
Pohang Iron St	67800	65200	66000	67500
Samsung Display	59500	57000	58000	59000
Samsung Elec	96400	88100	89100	97500
Samsung Fire	400000	385000	393000	384000
Shinhan Bank	9390	8620	8830	9460
SK Telecom	650000	629000	640000	648800

Shenzhen
B shares index: 52.09 Previous: 52.71

	High	Low	Close	Prev.
Bengang Steel	0.92	0.88	0.88	0.92
China Intl Marin	3.78	3.55	3.55	3.56
Guandg El Pwr	2.21	2.14	2.16	2.16
Konka Group	4.00	3.95	3.90	4.00
Shandg Chenm	2.40	2.31	2.32	2.32
SZ Fangda	3.72	3.55	3.56	3.72
Shenzhen Seg	1.47	1.43	1.46	1.46
Tsann Kuen	1.05	1.04	1.04	1.04

B shares only, quoted in Hong Kong dollars.

Singapore
www.ses.com.sg — Straits Times: 1526.98 Previous: 1543.08

	High	Low	Close	Prev.
City Devts	7.60	7.30	7.55	7.55
Cycle Carriage	6.75	6.20	6.75	6.45
Dairy Farm Intl*	1.09	1.05	1.07	1.06
DBS foreign	15.30	14.70	15.00	15.20
DBS Land	2.79	2.68	2.75	2.79
Fraser & Neave	6.75	6.30	6.50	6.40
HK Land *	1.31	1.27	1.30	1.31
Jard Matheson *	3.36	3.16	3.24	3.32
Jard Strategic *	1.80	1.74	1.78	1.75
Keppel Corp.	4.64	4.50	4.58	4.68
OCBC foreign	13.00	12.60	12.70	13.10
OS Union Bk F	7.50	7.15	7.40	7.50
SembCorp Ind.	2.15	2.07	2.13	2.08
Sing Air foreign	12.80	12.30	12.80	12.80
Sing Land	4.08	3.86	4.08	4.04
Sing Press	19.20	18.70	19.20	19.00
Sing Tech Eng	1.61	1.54	1.56	1.59
Sing Telecomm	2.49	2.44	2.48	2.45
Utd O'Sea Bk F	11.30	10.80	10.90	11.60

*: in U.S. dollars.

Stockholm
www.xsse.se — SX 16 index: 4009.23 Previous: 4083.77

	High	Low	Close	Prev.
AGA B	108.00	105.00	107.50	107.50
ABB A	83.00	80.00	81.50	83.00
ABB B	83.00	80.00	81.00	82.50
AssiDoman	146.00	141.00	143.00	140.50
Astra A	170.50	166.00	167.50	168.50
Astra B	169.00	164.50	165.50	167.50
Atlas Copco A	178.00	168.00	168.00	174.50
Electrolux B	138.50	132.50	133.00	138.50
Ericsson B	208.00	201.50	202.50	206.50
Forenings Spar	212.00	204.00	204.00	209.00
Hennes B	704.00	681.00	681.00	688.00
Incentive A	89.50	87.00	87.00	88.00
Investor B	373.00	356.00	361.00	369.00
NetCom Sys	351.50	340.00	342.00	346.50
Nordbanken Hdg	52.50	51.00	51.00	52.00
Pharm/Upjohn	425.00	417.00	418.00	427.00
Sandvik B	148.50	142.50	142.50	145.50
Scania B	178.00	169.00	173.00	175.00
SCA B	180.50	175.50	177.50	180.00
S-E Banken A	90.00	85.50	87.00	90.00
Skandia Fors	125.50	110.00	119.50	124.50
Skanska B	241.00	231.00	232.00	241.00
Stora A	91.50	91.00	91.00	91.00
Sv Handels A	339.00	330.00	332.50	340.00
Volvo B	219.00	210.00	210.00	217.00

Sydney
www.asx.com.au — All Ordinaries: 2846.30 Previous: 2849.40

	High	Low	Close	Prev.
Amcor	6.90	6.80	6.88	6.85
AMP	20.20	19.84	20.05	20.33
ANZ Bking	10.73	10.54	10.64	10.75
Aust. Gas Light	12.05	11.77	11.77	12.00
BHP	12.80	12.30	12.79	12.15
Boral	2.46	2.41	2.41	2.45
Brambles Ind.	42.20	40.70	40.73	42.20
CBA	22.79	22.55	22.70	22.96
CC Amatil	6.42	6.28	6.39	6.47
Coles Myer	8.79	8.68	8.79	8.80
Colonial	5.83	5.76	5.83	5.82
Comalco	6.01	5.94	6.01	5.93
CSR	3.94	3.87	3.92	3.95
Fosters Brew	4.70	4.52	4.58	4.66
Gen. Prop. Tr.	3.00	2.97	3.00	3.00
Lend Lease	22.25	21.00	21.21	22.47
Nat Aust Bank	25.84	25.60	25.84	25.92
Nat Mutl Hdg	2.98	2.95	2.95	2.97
News Corp	10.38	10.09	10.19	10.39
Pioneer Intl	3.39	3.32	3.34	3.38
Pub Broadcast	7.61	7.39	7.48	7.64
Rio Tinto	19.80	19.11	19.59	19.07
St George Bank	10.25	10.16	10.20	10.25
Southcorp	5.43	5.33	5.40	5.40
Telstra	7.70	7.62	7.66	7.70
WMC	5.38	5.08	5.32	4.96
Westfield Trust	3.60	3.57	3.59	3.60
Westpac Bking	11.00	10.87	11.00	10.99
Woodside Pet	7.40	7.30	7.40	7.29
Woolworths	5.58	5.49	5.55	5.58

Taipei
www.tse.com.tw — Stock Market index: 6363.89 Previous: 6406.99

	High	Low	Close	Prev.
Acer	40.60	39.50	39.70	39.50
Adv. Semi	61.00	58.50	59.00	60.00
Asustek Comp.	299.00	293.00	296.00	293.00
Cathay Life Ins.	105.00	102.00	102.00	103.00
Chang Hwa Bk	41.30	39.00	39.80	40.00
China Developmt	57.50	56.00	56.00	57.00
China Steel	18.80	18.00	18.10	18.80
First Comm. Bk	42.70	41.00	41.10	41.50
Formosa Plastic	47.90	46.80	47.00	47.20
Hon Hai Prec.	192.00	183.00	188.00	184.00
Hua Nan Bk	45.50	43.10	44.00	44.10
Intl Comm. Bk	30.20	29.20	29.30	29.60
Nan Ya Plastics	42.70	41.40	41.40	41.80
Shin Kong Life	49.60	48.00	48.10	48.20
Taiwan Semi	81.00	79.00	80.00	80.00
Utd Micro Elec.	47.00	45.80	46.30	46.30
Utd World Chin.	30.80	29.90	30.10	30.20

Tel Aviv
www.tase.co.il — Tel Aviv 25 index: 316.85 Previous: 317.98

	High	Low	Close	Prev.
Bk Hapoalim	7.87	7.75	7.82	7.80
Bk Leumi	6.09	6.03	6.05	6.09
Bezeq Isr Tel	14.56	14.40	14.51	14.44
IDB Dev.	88.60	87.20	87.90	88.70
Israel Chem.	4.24	4.13	4.14	4.22
Isr Discount Bk	3.65	3.62	3.63	3.68
Koor Industries	381.00	377.00	380.00	385.00
M.A. Industries	9.44	9.24	9.24	9.42
Teva Pharm.	166.70	163.40	163.60	166.20

Tokyo
www.tse.or.jp — Nikkei 225: 13360.97 Previous: 13368.48

	High	Low	Close	Prev.
Acom	6690	6550	6570	6650
Advantest	8480	8110	8220	8410
Ajinomoto	1254	1233	1240	1239
All Nippon Air	370	366	369	369
Asahi Bank	440	412	425	417
Asahi Brew	1580	1557	1566	1584
Asahi Chem	536	520	523	538
Asahi Glass	692	675	689	681
Bk Tokyo Mitsu	1200	1146	1166	1155
Bridgestone	2330	2200	2275	2215
Canon	2255	2185	2210	2235
Cent. Japan Ry	6000a	5970a	6000a	5970a
Chubu Elec	2255	2240	2255	2250
Chugoku Elec	2010	1985	1990	2005
Dai Nipp Print	1581	1546	1579	1611
Dai-Ichi Kang	635	582	608	592
Daiwa House	1150	1076	1120	1075
Daiwa Sec.	389	375	380	372
DDI	4300a	4150a	4230a	4270a
Denso	1970	1930	1942	1980
East Japan Ry	6480a	6050a	6410a	5980a
Eisai	2215	2145	2215	2125
Fanuc	3610	3470	3550	3570
Fuji Bank	451	423	437	427
Fuji Photo	3800	3660	3730	3780
Fuji TV Netwk	4990a	4950a	4960a	4940a
Fujitsu	1499	1475	1480	1509
Hachijuni Bk	950	945	948	948
Hitachi	751	726	746	743
Honda Motor	3750	3610	3720	3720
IBJ	540	501	510	510
Ito-Yokado	7180	7020	7140	7110
JAL	290	287	289	290
Japan Tobacco	1110a	1080a	1110a	1120a
Jusco	2170	2145	2150	2145
Kansai Elec	2460	2420	2420	2450
Kao	2455	2420	2435	2510
Kawa Steel	163	150	160	160
Keyence	14000	13700	13800	13910
Kinki Nipp Ry	629	624	628	624
Kirin Brewery	1484	1455	1467	1460
Komatsu	528	510	518	513
Kyocera	6150	5900	5930	6030
Kyushu Elec	2010	1996	1998	2010
Marui	2170	2055	2075	2115
Matsu Comm	5060	5000	5040	5070
Matsu Elec Ind	1914	1878	1890	1908
Matsu Elec Wk	1180	1154	1168	1151
Matsu-kotobuki	2350	2265	2295	2400
Minebea	1260	1175	1250	1200
Mitsubishi	606	586	599	613
Mitsubishi El	366	360	365	364
Mitsubishi Est	969	920	942	935
Mitsubishi Hvy	415	403	412	407
Mitsubishi Tr	765	710	738	724
Mitsui	586	558	566	570
Mitsui Marine	588	573	588	581
Mitsui Fudosn	773	723	752	730
Murata Mfg	5200	4900	5170	5030
NEC	1130	1091	1130	1105
Nichiei	8790	8550	8550	8800
Nikko Sec	309	301	307	307
Nintendo	9930	9800	9890	9900
Nipp Express	610	590	602	590
Nippon Oil	374	362	365	369
Nippon Paper	460	433	443	462
Nippon Steel	205	201	202	202
Nissan Motor	392	377	388	383
Nomura Sec	1009	981	981	998
NTT	865b	858b	863b	862b
NTT Data	5580a	5490a	5500a	5610a
NTT DoCoMo	4500b	4460b	4470b	4460b
Oji Paper	579	563	570	568
Omron	1410	1380	1390	1435
Oriental Land	5160	5060	5100	5110
Orix	8000	7650	8000	7730
Osaka Gas	383	378	382	379
Promise	5030	4910	4970	5140
Ricoh	1029	1006	1014	1041
Rohm	9950	9010	9920	10000
Sakura Bk	276	253	267	256
Sankyo	2640	2590	2590	2605
Sanwa Bank	977	900	957	908
Sanyo Elec	341	331	333	340
Secom	9450	9250	9400	9430
Seibu Rwy	3370	3310	3320	3370
Sekisui House	1114	1099	1104	1107
Seven-Eleven	8700	8550	8570	8750
Sharp	1049	1002	1020	1020
Shin-etsu Ch	2700	2625	2675	2655
Shiseido	1305	1281	1294	1316
Shizuoka Bk	1417	1406	1409	1405
SMC	8560	8460	8540	8610
Softbank	9100	8310	8420	8200
Sony	7530	7290	7390	7460
Sony Music Ent	4850	4540	4650	4900
Sumitomo	531	519	523	520
Sumitomo Bk	1185	1112	1170	1135
Sumit Chem	414	399	412	421
Sumit Elec	1264	1245	1255	1248
Sumit Marine	700	690	694	692
Sumit Metal	119	114	116	116
Sumit Trust	274	264	270	271
Suzuki Motor	1351	1306	1330	1325
Taisho Pharm	3380	3220	3310	3430
Takeda Chem	4190	4100	4160	4150
Takefuji	7740	7540	7590	8030
TDK	9360	9130	9210	9300
Tohoku El Pwr	1980	1961	1970	1953
Tokai Bank	525	507	514	512
Tokio Marine	1327	1286	1325	1298
Tokyo El Pwr	2765	2705	2730	2750
Tokyo Electron	5280	4990	5150	5080
Tokyo Gas	291	287	289	290
Tokyu Corp.	287	284	286	284
Toppan Print	1280	1230	1260	1238
Toray Ind	541	527	535	546
Toshiba	695	679	690	691
Toyo Trust	255	238	252	258
Toyoda Loom	2000	1997	1997	1971
Toyota Motor	2820	2725	2755	2770
West Japan Ry	5040a	4980a	5010a	5020a
Yamanouchi	3670	3600	3630	3670
Yamato Transp.	1600	1590	1599	1586
Yasuda Fire	528	501	511	505

a: x 100; b: x 1,000

Toronto
www.tse.com — TSE Industrials: 4773.36 Previous: 4842.31

	High	Low	Close	Prev.
Abitibi Cons.	14.45	14.20	14.30	14.55
Alberta Energy	37.05	36.00	36.00	37.25
Alcan Alum	45.50	44.60	44.70	46.15
Ballard Pwr Sys	44.50	43.20	43.20	44.50
Bk Montreal	67.75	66.50	67.30	67.75
Bk Nova Scotia	33.75	33.10	33.30	33.65
Barrick Gold	31.60	30.90	31.20	32.40
BCE	60.90	59.75	60.10	61.20
BC Telecomm	44.15	43.75	43.15	43.50
Bombardier B	22.80	22.00	22.70	22.45
CIBC	40.35	39.55	39.65	40.65
Cdn Natl Rail	80.85	80.05	80.45	80.90
Cdn Nat Res	26.20	25.00	25.00	26.40
Cdn Occid Pet	17.80	17.25	17.50	17.80
Cdn Pacific	32.40	31.85	31.95	32.60
Du Pont Cda A	47.75	46.25	46.75	46.25
EdperBrascan	23.25	22.75	22.80	23.25
Enbridge	71.00	70.05	70.95	70.45
Fairfax Finl	530.00	518.00	525.00	530.00
Falconbridge	19.45	18.65	18.85	19.20
Geac Computer	44.40	43.75	44.00	43.85
Imperial Oil	25.95	25.45	25.45	26.00
Inco	19.95	19.35	19.65	20.10
Laidlaw	15.75	15.40	15.45	15.50
Magna Intl A	94.00	93.50	94.80	94.00
Newbridge Net	53.20	49.45	52.90	49.75
Newcourt Credit	51.40	49.25	49.30	51.60
Noranda Inc	18.65	17.90	18.00	18.40
Nthern Telecom	81.65	80.65	81.50	82.15
Nova Chemicals	22.20	21.75	22.10	21.90
Pancdn Petlm	18.25	18.00	18.00	18.25
Petro Cda	19.25	18.55	18.70	19.35
Placer Dome	19.40	18.70	18.95	20.10
Potash Sask	106.95	105.00	106.10	108.80
Renaissance	20.20	19.50	19.60	20.20
Royal Bk Cda	84.25	82.85	83.45	83.75
Royal Grp Tech	35.65	35.45	35.50	35.35
Seagram Co	59.50	58.75	59.50	57.45
Shell Cda A	24.35	23.60	23.95	24.30
Suncor	47.35	46.00	46.40	47.30
Talisman Eny	29.80	28.75	28.80	29.90
Teleglobe	55.25	54.00	55.20	54.70
Telus	34.45	33.60	33.80	34.30
Thomson	37.60	36.35	37.35	36.50
TorDom Bank	58.15	57.50	58.00	58.00
Torstar	18.10	18.00	18.00	18.10
Transalta	23.00	22.75	23.00	22.90
TransCda Pipe	22.10	21.95	22.05	22.00
Trizec Hahn	31.75	31.50	31.70	31.65
Westcoast Eny	30.80	30.50	30.50	30.60
Weston	58.50	56.25	57.00	59.00

Late trading

Vienna
www.wbag.at — ATX index: 1127.60 Previous: 1137.33

	High	Low	Close	Prev.
Bank Austria	42.85	41.92	42.05	42.90
Bund. Vers.	54.50	54.50	54.50	54
Erste Bank	43.12	41.82	42.50	43.12
EVN	118.54	116.30	118.54	116
Generali Hdg	225.90	221.50	224.50	225.21
OMV	85.35	83.05	84.93	83.67
Oest Elektriz	137.95	136.50	136.89	137.56
VA Tech	75.40	72.70	73.15	74.99
Wienerbrg Bau	178.80	175.22	177.80	176.11

Wellington
www.nzse.co.nz — NZSE-40 index: 2136.41 Previous: 2169.40

	High	Low	Close	Prev.
Air N Zeald B	3.32	3.14	3.15	3.35
Brierly Invt	0.49	0.46	0.48	0.49
Carter Holt ord	1.78	1.70	1.70	1.78
Fletch Ch Bldg	3.06	2.95	3.00	3.07
Fletch Ch Eny	4.25	4.00	4.00	4.22
Fletch Ch Paper	1.42	1.33	1.34	1.41
Indep. News	7.65	7.60	7.60	7.65
Lion Nathan	4.85	4.14	4.74	4.85
Sky Network	2.62	2.60	2.60	2.61
Telecom NZ	9.04	8.85	8.92	8.90

Zurich
www.bourse.ch — SPI index: 4649.22 Previous: 4676.18

	High	Low	Close	Prev.
ABB B	1665	1613	1624	1656
ABB R	334	325	330	334
Adecco	658	616	616	641
Alusuisse R	1610	1570	1578	1599
Ares-Serono B	2269	2231	2242	2250
Baer Hdg B	4920	4805	4875	4925
Baloise Hdg R	1345	1310	1315	1330
BK Vision	277	268	271	275
CibaSpec Chem	121.25	116.50	120	116.25
Clariant R	722	695	698	710
Cred Suisse R	236	227	231.50	234.50
Ems-Chemie	8360	8110	8260	8300
Holderbank B	1760	1703	1717	1755
Liechtenst LB B	932	910	910	920
Nestle R	2973	2871	2888	2950
Novartis B	2869	2814	2837	2834
Novartis R	2871	2828	2855	2849
Oerlikon Buch R	182	177.50	180	183.50
PharmaVisn B	1004	985	1000	994
Pirelli R	375	365	365	376
Richemont A	2395	2260	2330	2380
Rieter Hdgs	842	819	824	848
Roche Hdg PC	17965	17605	17870	17625
SAir Group R	330	319	322	325.50
Saurer R	847	820	835	840
Schindler PC	2315	2170	2170	2300
SGS B	1245	1198	1240	1200
Sulzer R	847	820	835	839
Sulzer Medic R	267.50	254	257.50	267.50
Swatch Group B	825	790	814	805
Swatch Group R	201.50	196	198.75	198
Swiss Life B	967	941	959	950
Swiss Reins R	3635	3551	3600	3606
UBS R	462	453	457	459
UBS SIMA	292.50	291	292	291.50
Zurich Assur R	1095	1050	1050	1070

Pan-European Indexes

	Last	Prev.	% Change	12-mth High	12-mth Low
Europe-wide Indexes					
FTSE Eurotop 100	2,833.29	2,862.92	-1.00	3,070.27	2,018.16
MSCI Europe	1,232.68	1,251.87	-1.53	1,316.55	907.29
Stoxx 50	3,476.12	3,504.20	-0.80	3,659.22	2,402.36
EMU-bloc Indexes					
FTSE Ebloc 100	1,032.45	1,047.59	-1.45	1,129.39	732.21
MSCI EMU	186.50	189.87	-1.77	201.67	134.38
Euro Stoxx 50	3,512.80	3,546.40	-0.95	3,681.20	2,388.42

MSCI indexes are from previous trading day.
Source: Bloomberg.

NASDAQ

Tuesday's 4 P.M.
The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

AMEX

Tuesday's 4 P.M. Close
The 150 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

NYSE

Tuesday's 4 P.M. Close
(Continued)

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THE GOVERNMENT OF ERITREA, MUNICIPALITY OF ASMARA, REQUEST FOR EXPRESSION OF INTEREST AND STATEMENT OF QUALIFICATION FOR THE DESIGN AND CONSTRUCTION OF THE ADI NEFAS WATER TREATMENT PLANT AND TREATED WATER PIPELINE.

The Government of Eritrea, Municipality of Asmara, wishes to become appraised of the interest, capacity, and availability of qualified prospective bidders to contract for the final design and construction of the Adi Nefas Water Treatment Plant (WTP) and treated water pipeline. The project includes final design, equipment procurement, construction, and start-up of a 20,000 cubic meter per day capacity, conventional high-rate filter process, water treatment facility, and approximately 8.4 km finished water transmission line to connect to the existing City of Asmara water distribution system.

All interested parties will be sent a prequalification package which must be completed and submitted no later than January 29, 1999. Successful prequalification applicants will be provided with a bidding package that includes preliminary design documents that define the required facilities for the project.

Construction of this project is funded by the Arab Bank for Economic Development in Africa (BADEA) and by the State of Eritrea

For further details, contact either:
Dr John Scott, Natural Resources Consulting Engineers, P.O. Box 5260, Asmara, Eritrea Telephone: +291 1 120574. Fax +291 1 120629 E-mail: office @nrce.eol.punchdown.org
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Afraid of Getting Burned by Buying Cyber Stocks? Try an Internet Fund

By David Callaway
Bloomberg News

SAN FRANCISCO — Feel that you've missed the boat on such high-flying Internet stocks as Amazon.com Inc. and Yahoo Inc.? Concerned they'll plunge off the face of the earth the minute you buy? Try an Internet fund.

While the gains of the handful of funds that focus on Internet stocks were nothing compared to the dizzying rallies of some of their holdings last year, they were still enough to make a conservative, balanced-fund investor weep.

The Internet Fund was up 196 percent in 1998, including 83 percent in the fourth quarter, according to Morningstar Inc. The Monder Net Net Fund was up 98 percent last year, and the WWW Internet Fund was up 70 percent. By contrast, the Standard & Poor's 500 Index, a broad measure of the U.S. stock market, rose 28 percent last year.

"Clearly, in 1999 it will be a little more difficult to replicate those returns," said Ryan Jacob, manager of the Internet Fund, which has about $30 million in assets.

But fund managers are still bullish on the sector.

Mr. Jacob said he expected more mergers and acquisitions, such as America Online Inc.'s $4.2 billion takeover of Netscape Communications Corp., as technology firms jockey for position in the evolving industry. Those mergers could lead to big gains in shares of Internet companies this year.

Lawrence York, manager of the $7.2 million WWW Internet Fund, said he thought the industry had grown to the point where not all Internet stocks would rise and fall together anymore. He sees rallies moving between different groups of the stocks.

Just as shares of any Internet company that offered retail products, such as the bookseller Amazon.com, soared during the holiday season, Mr. York thinks the focus will soon shift to other groups. He likes companies that focus on security for Internet commerce, such as VeriSign Inc., which develops codes to identify Internet customers or employees. He also likes companies such as Cisco Systems Inc. and Lucent Technologies Inc., which he says are building the systems that allow the Internet to grow.

> **'This Internet thing is real; it's just that no one knows who the real players are and might not for years to come. There's going to be a lot of wounded ducks.'**

"When we started this fund in 1996, we said this is like the days of Henry Ford," Mr. York said. "When he started rolling out Model Ts, people laughed and said he's riding over dirt tracks with holes in them. No one envisioned that they would pave those roads, connect them and build superhighways."

Not everyone is so sure that Internet funds are the best way to make money. Fund advisers point out that like any fund that focuses on a certain group of shares, Internet funds and the stocks they own can fall as fast as they rise.

As investors learned in the 1980s with biotech funds, the promise of a new technology does not always lead to consistent gains for the companies in that industry and the funds that hold them.

"These are pedal to the metal, run at all costs" funds, said Stephen Janachowski, principal of Brouwer & Janachowski, a Tiburon, California, investment adviser. "This Internet thing is real, it's just that no one really knows who the real players are and might not for years to come. There's going to be a lot of fallout, a lot of wounded ducks."

Still, the success last year of the Internet Fund, the WWW Internet Fund and the Munder Net Net Fund, the largest of the three with $350 million in assets, has caught the attention of other fund companies.

The Monument Funds group introduced a fund called the Monnment Internet Fund in November and has raised about $2 million. The portfolio manager, Alexander Cheung, who compares the Internet to the steam engine of the 1800s, said the fund had risen 36 percent since its inception.

A more diversified fund unveiled last month is the Wired Index Fund, which is managed by the U.S. arm of the British fund manager Guinness Flight Investment Management. The fund, with $12 million in assets, is based on an index designed by Wired magazine last year that includes what its editors think will be the companies of the "new economy" of the next decade.

The index focuses on companies that its creators believe will lead the emergence of a global economy based on networking and other types of innovation, said Jim Atkinson, head of U.S. operations for Guinness Flight in Pasadena, California. While the index of 40 stocks includes companies such as Yahoo and America Online, it also has the banking group State Street Corp., the automaker DaimlerChrysler AG, Walt Disney Co. and Wal-Mart Stores Inc.

"Less than half of the portfolio is in high-tech or communications," Mr. Atkinson said. "People are interested in the new economy concept, and the Internet stocks are part of that concept."

Mr. Atkinson said the top holdings of the fund, which was up 11.6 percent from the time it was introduced in mid-December to the end of the year, include America Online, Nokia Oy, Dell Computer Corp., and Lucent Technologies Inc. He said the fund was taking in about half a million dollars a day.

While most of the fund managers are reluctant to predict that Internet stocks will perform better this year than they did last year, the group is off to a raging start in the first week of January, which can only be good for sales of Internet funds.

Fidelity Outpaced Other Big U.S. Equity-Fund Firms in '98

Bloomberg News

BOSTON — Fidelity Investments was the top performer among the 10 largest U.S. stock-fund managers last year, as Fidelity's $83 billion Magellan Fund outpaced the Standard & Poor's 500-stock Index for the first time in five years.

Fidelity's U.S. equity funds rose an average of 26.1 percent on an asset-weighted basis last year, according to Kanon Bloch Carre, an investment advisory firm.

Kanon Bloch bases its rankings on the overall asset-weighted performance of a company's domestic stock funds, meaning that the returns of a firm's bigger funds, such as Magellan, carry more weight than those of the smaller ones.

Placing second in Kanon Bloch's survey was Amvescap PLC, whose average stock fund rose 22.6 percent in 1998. The worst performer was Franklin Resources Inc.'s Franklin Templeton fund group, whose average U.S. stock fund gained just 2.27 percent.

Nine of Fidelity's biggest funds, including Magellan, Contrafund and Blue Chip Growth, outperformed the S&P 500 in 1998, explaining the company's strong performance, said William Dougherty, who heads Boston-based Kanon Bloch.

Mr. Dougherty said, "Fidelity's strength is buying large-company growth stocks, and that segment of the market was the best-performing last year."

The relative performance of Fidelity's funds has shown steady improvement since 1996, when Magellan badly lagged the S&P 500 after an ill-timed decision by the fund's former manager, Jeff Vinik, to buy bonds and raise cash when stocks were soaring.

Fidelity fund managers no longer try to time changes in market direction, Mr. Dougherty said. Instead, they are back to focusing on buying shares in what they believe are America's fastest-growing companies, he said.

Magellan gained 33.6 percent in 1998, buoyed by investments in Microsoft Corp. and America Online Inc. The $38.8 billion Contrafund rose 31.5 percent, and the $19.9 billion Blue Chip Growth Fund advanced 34.8 percent. Even with these strong returns, the average Fidelity fund still trailed the 28.5 percent gain of the S&P 500 in 1998.

While growth stocks helped the performance of Boston-based Fidelity's funds, the lagging returns of "value" stocks weighed on Franklin Templeton, Mr. Dougherty said. Among Franklin Templeton's biggest funds, Franklin Mutual Shares and Franklin Mutual Beacon gained less than 3 percent last year.

"Value stocks had a very bad year, and that explains why Franklin fared as badly as it did," Mr. Dougherty said. Value stocks trade at low prices relative to their companies' earnings or are stocks that are temporarily out of favor with investors.

The Franklin Mutual funds are managed by Franklin Mutual Advisers Inc. of Short Hills, New Jersey, which was run until recently by the stock-picker Michael Price. "We were swimming against the stream all year, but we're not changing anything we do," said Larry Sondike, co-manager of the $8.7 billion Franklin Mutual Shares Portfolio and the $5.5 billion Franklin Mutual Beacon Portfolio.

London-based Amvescap, which owns the Aim and Invesco fund groups, showed the most marked improvement in 1998, according to Kanon Bloch. Amvescap jumped to second place from last place among the 10 fund companies in the survey.

The company's top-performing funds included Aim Summit, up 34.4 percent; Aim Weingarten, up 33.1 percent; Aim Blue Chip, up 30.4 percent; and Aim Charter, up 26.9 percent.

Vanguard Group, the second-biggest U.S. fund company, with almost $435 billion of assets under management, finished third last year as the company's average stock fund gained 20.7 percent, according to Kanon Bloch.

The $74 billion Vanguard Index 500 Fund rose 28.6 percent, the $13.6 billion Vanguard U.S. Growth Fund gained 40 percent, the $11.2 billion Vanguard Primecap Fund rose 25.4 percent, the $18.2 billion Vanguard Windsor Fund rose only 0.81 percent, but the $31.5 billion Vanguard Windsor II Fund was up 16.4 percent.

Capital Group Cos., the third-biggest mutual-fund group, placed fourth among the "big 10" as its American Funds stock funds gained 19.6 percent, Kanon Bloch reported.

Very briefly:

- **The U.S. securities market** has lost some appeal since last year, with no panic over the global financial system to provoke a rush into it as a perceived haven. Despite low inflation and forecasts of a slowing U.S. economy, government securities' yields have risen sharply in the past month. Possible reasons include higher stock prices, which might buoy consumer spending, and the lack of clear proof of a slowing economy.
- **South Korea** will decide as early as Wednesday whether to scrap a plan to levy taxes on capital gains from private mutual-fund companies' stock trading, Joo Young Sup, a Finance Ministry official, said in response to complaints from funds that the tax discriminated against them.
- **Morgan Stanley Dean Witter & Co.** will open an Australian stockbroking business early this year, the Sydney Morning Herald reported.
- **Bond markets** of European Union members that stayed out of the euro are likely to be the next targets of investors who have made money by investing in the 11 countries that adopted the single European currency, some analysts say. The average cost of borrowing money for 10 years in the euro zone is 3.87 percent, compared with 4 percent in Denmark, 6 percent in Britain and 6.30 percent in Greece.
- **Fund managers based in Britain** are overwhelmingly bullish on the euro and its potential impact on European stocks, according to a Merrill Lynch-Gallup survey, with 75 percent of respondents expecting the pound to weaken against the euro over the year.

Bloomberg, NYT, Reuters

China Moves to Curb Futures Exchanges

Compiled by Our Staff From Dispatches

SHANGHAI — China announced a crackdown on its unruly commodity exchanges Tuesday, moving to close some and overhaul others in an effort to curb what are seen as widespread abuses.

State media said commodity trading would be consolidated in exchanges in Shanghai, Zhengzhou and Dalian. Eight other commodity exchanges are to be turned into securities brokerages that will be allowed to trade commodities for clients but not for themselves — ending a practice that has led to complaints of price manipulation. All but 12 of the 35 types of futures contracts that are now traded will be eliminated, according to the Futures Daily.

Exchanges, which are owned by local governments, have been accused of corruption and of abusing small traders by colluding with big state trading firms to set prices.

The exchanges trade grain, oil, metals and other products for private clients and state firms.

The move to rein in commodity trading came as Alan Greenspan, the chairman of the U.S. Federal Reserve Board, arrived in China for talks with Prime Minister Zhu Rongji. The official Xinhua news agency said Mr. Greenspan had praised China's policy of keeping its currency stable.

"Greenspan expressed admiration over China's economic achievements and highly evaluated China's contribution to the Asian and the world economy by keeping its currency exchange rate stable," the state-run agency said.

Xinhua said Mr. Greenspan also had "outlined the economic and financial development in the United States and suggested that the two countries should reinforce their cooperation in the financial sector."

Mr. Greenspan was also scheduled to meet with his counterpart, Dai Xianglong, head of the People's Bank of China, who urged Tuesday that the government do more to shore up the shaky Chinese banking system.

Under central planning, the government forced state-run banks to lend to state industries, many of which were inefficient and unprofitable. Western analysts estimate that about 20 percent of all loans are not being paid, making the state banks technically insolvent.

In a report in the Financial News, the official newspaper of the People's Bank, Mr. Dai called for increasing banks' capital and converting company debt to stock to blunt the impact of the bad loans.

Mr. Dai also recommended merging or closing down inefficient financial institutions or forcing them to declare bankruptcy, the Financial News reported. *(AP, Reuters)*

China Winemakers Facing a Squeeze

Agence France-Presse

BEIJING — One-third of China's 600 wine growers have gone bankrupt in the past two years because of a surplus of wine and strong competition, the official Xinhua press agency said Tuesday.

Wine production boomed from 1996 to the start of 1998 as makers of alcohol and soft drinks switched to wine-growing.

This resulted in wine of "inferior quality," but "these companies have mostly been forced out of business," Xinhua said.

Chinese wine production almost doubled from 1996 to 1997, and China imported 11.17 million liters (3.1 million gallons) of wine in 1997, surging from just 372,000 liters the year before, according to data published in October.

Although Chinese people are drinking increasing quantities of red wine, per-capita annual consumption remains low, at less than 0.3 liter annually.

Seoul Aims To Weaken Rising Won

Bloomberg News

SEOUL — South Korea's central bank said Tuesday it planned to buy dollars to try to pull down the won, which is at a 14-month high.

The won has gained 13.4 percent against the dollar in the past three months, making South Korea's ships, autos, computer chips and electronics less competitive internationally. The won has recovered from about 1,700 to the dollar at the height of South Korea's economic crisis. The dollar finished Tuesday at 1,173.50 won, up from 1,173.00 won Monday.

"The bank can buy dollars to stop the won's appreciation," said Park Cheul, an assistant governor of the Bank of Korea. "I don't care what the exchange rate is. I want stability in the won." Major exporters cheered the planned purchase.

"It's the right move at the right time," said N. M. Kim, executive vice president for international business at Hyundai Motor Co., the nation's biggest automaker. "The weakened won is choking exporters, for whom exchange rates can determine profits or losses."

He said the dollar must rise to at least 1,300 won for Hyundai to make any profit on its auto exports.

International Monetary Fund officials said in an interview with a South Korean television station last week that the IMF supported the central bank's dollar purchases if they were aimed at "smoothing out sudden fluctuations of the won."

John Dodsworth, the IMF's senior representative in South Korea, declined to comment on the latest developments, saying the issue was too "market-sensitive" to discuss.

Murdoch: An Asia Optimist But a Skeptic on Internet

Agence France-Presse

SINGAPORE — The Australian media mogul Rupert Murdoch said Tuesday he was still "very, very bullish" about prospects in Asia despite the economic slowdown in the region but was skeptical about the potential of the Internet.

"Currently we all know there are difficulties in different parts of Asia, but I'll be very optimistic that most of those countries have seen the worst of their times and are now recovering," he said at a forum here on media prospects in the 21st century.

Mr. Murdoch, 67, the chief executive of News Corp., also said the company would provide news along with entertainment and sports to Chinese audiences. He was critical of what he called other news organizations' negative coverage of China, including events such as the 1989 massacre of pro-democracy activists in Beijing. President Jiang Zemin met Mr. Murdoch in Beijing last month and praised his efforts at "presenting China objectively."

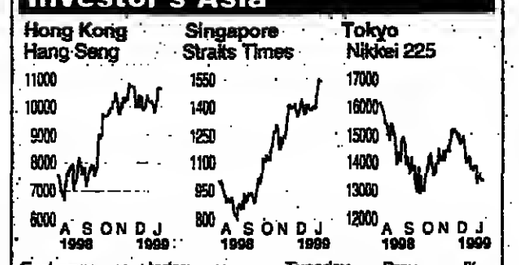
Mr. Murdoch stirred controversy last year when his HarperCollins publishing house turned down a book by the former Hong Kong Governor Chris Patten for which it had already paid an advance. The book makes several criticisms of the Chinese government.

Regarding the Internet, Mr. Murdoch described himself as a skeptic.

"I don't think other media companies are doing much more in the Internet than we are," he said. "We don't see any need to hurry this.

"I think the Internet, which will be a fantastic service for the public all over the world, will actually destroy more businesses than it will create, in the sense that it will actually wipe out the middlemen."

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,711.56	10,634.27	+0.73
Singapore	Straits Times	1,536.98	1,543.08	-0.40
Sydney	All Ordinaries	2,846.30	2,849.40	-0.11
Tokyo	Nikkei 225	13,360.97	13,368.48	-0.06
Kuala Lumpur	Composite	593.33	598.46	-0.86
Bangkok	SET	399.81	399.20	+0.15
Seoul	Composite Index	631.19	640.95	-1.52
Taipei	Stock Market Index	6,363.89	6,406.99	-0.67
Manila	PSE	2,148.46	2,139.64	+0.41
Jakarta	Composite Index	436.19	437.30	-0.25
Wellington	NZSE-40	2,136.61	2,169.40	-1.51
Bombay	Sensitive Index	3,353.22	3,433.21	-2.33

Source: Telekurs

International Herald Tribune

Very briefly:

- **The Financial Sector Restructuring Authority** of Thailand signed deals with seven groups of bidders to sell about 156 billion baht ($4.15 billion) of financial and commercial assets left by 56 defunct finance companies. Prices ranged from 22 percent of nominal value to 39 percent.
- **Hartford Life International Ltd.** of the United States will pay $100 million for a 60 percent stake in **Kumho Life Insurance Co.** of South Korea. Kumho Group, in an effort to cut its debt load, also is seeking foreign investors to buy stakes in other affiliates, including **Kumho Tire Co.** and **Asiana Airlines Co.**
- **Infosys Technologies Ltd.** and **Satyam Computer Services Ltd.**, Indian software makers, said third-quarter profits jumped on strong demand from the United States and Europe. Infosys' profit before extraordinary items rose to 377 million rupees ($8.9 million) from 182 million rupees a year earlier; Satyam's rose to 198 million rupees from 103 million rupees.
- **Mitsubishi Motors Corp.** will provide **PSA Peugeot Citroen SA** of France with its direct-injection gasoline-engine technology.

Bloomberg, AFP, Bridge News, Reuters

Herald Tribune INTERNATIONAL
SPORTS
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WEDNESDAY, JANUARY 13, 1999

WORLD ROUNDUP

Rugby Troubles

RUGBY England faces a penalty ranging from a fine to expulsion from international rugby after world chiefs found the country guilty of failing to support them properly in a key struggle over power in the game.

The International Rugby Board said Tuesday that its disciplinary committee, made up of officials from New Zealand, Ireland, South Africa and Japan, had found the English Rugby Football Union responsible for conduct "prejudicial to the interests of the governing body." *The rugby board is unhappy* because it feels it did not receive enough support from the Rugby Football Union in its repouse to a recent appeal hy leading English clubs to the European Commission about who cootrols the game.

The English clubs are questioning the IRB's control of the availability of players, broadcasting rights and control of tournaments. If they win their action, which could take several years, the whole running of world rughy may have to change dramatically.

The rugby board will inform the Rugby Football Union of the penalty it intends to impose on England on Thursday. *(Reuters)*

UEFA Officials Say 'No'

SOCCER UEFA's top officials on Tuesday rejected the plan of FIFA's president, Sepp Blatter, to stage the World Cup every two years, saying it would have "negative consequences." The European soccer body's presidential board "not only objected to the idea hot also condemned the way the project was presented, without prior consultation of any of the relevant bodies," UEFA said in a statement. UEFA and its president, Lennart Johansson, have been critical of Blatter's plan since he suggested it last weekend. *(AP)*

- Monaco's coach, Jean Tigana, has resigned because of the 1997 French champions' poor results this season. *(Reuters)*
- The Brazilian elub Cruzeiro has sold the star striker Fabio Jr. to Roma of Italy's first division for $15 million, the Brazilian cluh announced. *(Reuters)*
- Greek soccer games will resume this weekend after league organizers temporarily suspended a two-week strike staged because of a dispute with the government over lottery revenoe. *(AP)*

An Insulted Tyson

BOXING In an interview with Playboy magazine, the boxer Mike Tyson criticizes Wallace Matthews of the New York Post, saying Mathews called him a "rapist recluse."

"I'm oot a recluse," Tyson said. *(LAT)*

William West/AFP

WINDY — Boats heading toward Melbourne's skyline in World Sailing Championships.

Games to Stay in Utah Despite Bribery Scandal

IOC Confirms Site After Funding Doubts Arise

Compiled by Our Staff From Dispatches

GENEVA — The International Olympic Committee confirmed Tuesday that the 2002 Winter Games would remain in Salt Lake City despite a snowballing bribery scandal. Local organizers in Salt Lake City also said that the Games would stay in Utah.

The statements took place after Marc Hodler, the International Olympic Committee's senior member and head of the oversight panel for the 2002 Games, said they could be moved or canceled if Salt Lake could not meet its $1.45 billion budget.

Salt Lake City officials have admitted paying for the housing, travel and education of relatives of IOC members as well as giving expensive gifts and free health care. But a spokeswoman in Geneva, Michele Verdier, said Tuesday that "The IOC has made clear the Games will not be withdrawn from Salt Lake City."

Of Hodler, she said: "He was not speaking officially for the IOC."

Hodler said Tuesday that a $350 million shortfall would make it difficult for Salt Lake City to stage the Games. "The mood in Salt Lake City has changed and the problem of financing is still there," he said in a telephone interview. "The organizing committee still has to find $350 million. I don't know if they'll find it." Verdier said there were "no financial problems presently."

The Salt Lake Organizing Committee, or SLOC, has admitted that it still needs to raise $350 million, but Olympic officials there focused on the money already in hand.

"Salt Lake has already raised 75 percent of the revennes we need to put on the games, so we're well on our way," Robert Garff, chairman of the Salt Lake Organizing Committee, said. He added that if the city should fall short in raising money, "we may have to scale back the games to fit the old-time Olympic program."

He said venues could be downsized, cultural programs cut and more volunteers recruited. "We are not panicking," he said.

Hodler, 80, started the current storm when he said last month that agents for IOC members offered candidate cities blocs of votes in return for financial rewards. After his comments and reports of inducements allegedly offered to some IOC members, the president of the Salt Lake Organizing Committee and his deputy resigned.

At the same time, the IOC has launched its own internal investigation on the corruption charges, and Verdier said the results of the inquiry would be made public after an executive board meeting, on Jan. 24 or Jan 25.

The scandal continned taking its toll Tuesday, as the SLOC announced it would postpone the unveiling of its official mascot "until the investigations into former bid-committee practices are completed."

John Krimsky, the deputy secretary general and managing director of business affairs for the U.S. Olympie Committee, said Hodler's remarks "certainly make it more difficult" to satisfy sponsors. But he said all of the television cootracts for Salt Lake were complete and sponsors were prepared to ride out the scandal.

Krimsky said he expected to secure within days the $5 million payment that US West has said it would withhold pending a more complete answer from the SLOC to its questions about the scandal.

Bnt Coca-Cola Co., the big spender of Olympic sponsors, said the bribery scandal could threaten the corporation's future Olympic funding. "If not handled properly, this could have significant negative impact on our involvement with the Games as well as that of other sponsors," said a Coca-Cola Olympic marketing spokesman.

In another development, Rene Paquet, who headed Quebec's bid committee, which lost to Salt Lake City, said his eity might soe the IOC for compensation because rules of a contract signed with the organization were broken. He also said the IOC's president, Juan Antonio Samaranch, should resign. *(AP, Reuters)*

Olympic Scandal Spreads To Relatives of IOC Aides

By Jere Longman
New York Times Service

NEW YORK — Relatives of International Olympic Committee members from Ecuador and Finland were employed by the Salt Lake City bid committee while it pursued the 2002 Winter Games, Olympic officials said.

A daughter of Agustin Carlos Arroyo, an IOC member from Ecuador, and the husband of Pirjo Haggman, an IOC member from Finland, worked briefly for the bid committee, Olympie officials said Monday, speaking on the conditioo of anooymity.

These revelations were the latest in a growing scandal involving cash payments, tuition aid and lavish gifts in which vote-buying by Salt Lake City officials has been alleged by Marc Hodler, a senior IOC member from Switzerland.

Arroyo's daughter worked for a couple of weeks for the Utah Department of Economic Development as a commercial artist, but her skills were found to be lacking, an Olympie official said. Sbe was then hired to answer phones for the Salt Lake City bid committee for a month and was eventually given tuition aid to attend school in Texas for about six months and may have received living expenses, the Olympic official said. The official said that the daughter was hired without the urging or apparently the knowledge of her father.

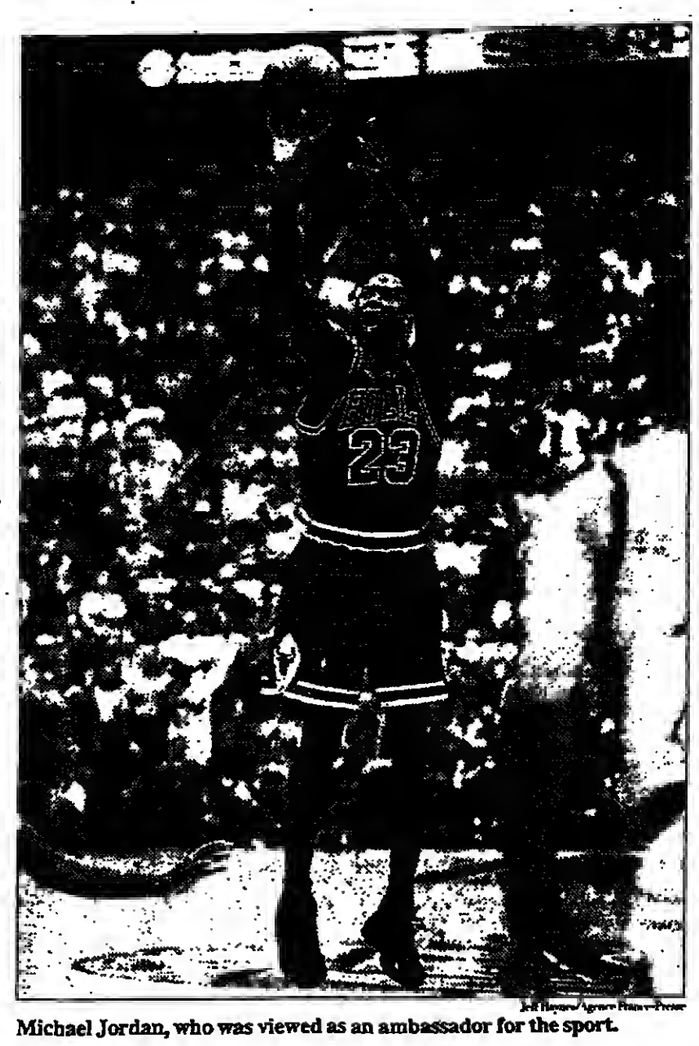
Reached by telephone Monday in Guayaquil, Ecuador, Arroyo said that his stepdaughter, Nancy Rignault, who is an American citizen, had worked briefly in Salt Lake City on some type of restoration project before returning to Texas, but that he was positive she had not worked for the bid committee. He later said that he was not sure and that he would check on the matter, "because I have nothing to hide."

Arroyo, a 75-year-old lawyer and industrialist wbo has been an IOC member since 1968, also said that he may have received a cash payment from the bid committee, but that it would have been as reimbursement for travel expenses he and his wife, Raquel, incurred when they visited Salt Lake City before the June 1995 vote in which it was awarded the 2002 Games.

It is customary for Olympic bid cities to provide first-class airfare for IOC members and a guest when they make three-day inspection visits. Arroyo said that the total cost of the two first-class tickets might have been $5,000, but that he was oot certain. He said it was his habit to buy his own tickets when traveling and then to.be reimbursed.

"That's the only thing that could have been given to me in cash," he said, adding that he had received nothing else from Salt Lake City officials other than customary hotel accommodations, meals and small gifts like a watch and a necktie.

Also during the bid process, Haggman's husband was hired to do an environmental study for the Salt Lake City committee, an Olympie official said.



Jeff Haynes/Agence France-Presse

Michael Jordan, who was viewed as an ambassador for the sport.

Highlights Of Jordan's Big Games

The Associated Press

Following are some of Michael Jordan's most memorable big-game performances:

- The freshman's 1982 corner jumper that beat Georgetown in the NCAA Finals and gave North Carolina's Dean Smith his first national title.
- The NBA playoff-record 63-point performance that still holds, against Larry Bird and the Celtics in 1986. "God came to the game tonight and played under the name of Michael Jordan," Bird said. The Bulls lost, 135-131.
- The Shot. With the Bulls down by one point in the deciding fifth game of the opening-round series against the Cavaliers in 1989, Jordan went high over Cleveland's Craig Ehlo to hit a jumper.
- The shrug after raining down 3-pointers against Portland in the opener of the 1992 finals. He hit a playoff-record, six 3s in one half, against the Blazers.
- The Shot II, over Gerald Wilkens, beating Cleveland again in the Eastern Conference semifinals in 1993.
- The game-winning jumper over Bryon Russell in the opener of the 1997 NBA Finals against Utah.
- His game-winning 3-pointer and 38-point effort against the Jazz io Game 5 when he was so sick and dehydrated he was doubled over at times as he walked off the floor.
- His steal and game-winning jumper to beat the Jazz in the elosing seconds of Game 6, giving the Bulls their sixth title of the decade last June.

JORDAN: *Retirement Appears Likely for Bulls' Superstar*

Continued from Page 1

not held any contract discussions with the Bulls, and Jordan had not been working out regularly. In addition, an editor of a new book by Jordan, "For the Love of the Game: My Own Story," acknowledged that the publisher was counting on Jordan's retirement when it decided to publish the book last fall, and had received positive signals to that effect from Jordan.

His failure to make a decision had delayed personnel decisions for the Bulls, who won six league titles with Jordan as their leader and top performer. The Bulls have only four players under contract, and most of the components from Chicago's championship team were in limbo because Jordan was obviously the team's priority.

He would have secured a contract worth about $37 million for the shortened season that is scheduled to begin Feb. 5, pro-rated over 50 games instead of the usual 82. Without Jordan's salary, Bulls officials will have more money to sign two of their prominent free agents, Scottie Pippen and Dennis Rodman. But, conversely, Jordan's absence may be a factor in whether they want to return to the Bulls.

Jordan and Pippen have been an All-Star tandem throughout the Bulls' championship run — Jordan has called Pippen his "little brother" — and Pippen may opt to play elsewhere if he concludes that the Bulls' glory days will end when Jordan's career does.

Jordan's history of changing direction in his professional life leaves open the possibility that he may return — if not this season, then possibly the next season. He retired for the 1993-94 seasoo and embarked on a professional baseball career, saying he was finished with basketball. But he ended a floundering career in baseball's minor leagues in the spring of 1995 to return to basketball for the latter part of the season.

Jordan led the league in scoring 10 times, the most ever. His 31.5 points a game over his career is the highest regular-season average in NBA history, higher than Wilt Chamberlain's 30.1 average. He was the league's most valuable player five times, and the All-Star Game MVP three times.

Carrying the league into the post-Magic Johnson and Larry Bird era with aplomb, his incredible accomplishments on the floor are paralleled only by his commercial success off it.

Since the Bulls selected him with the third pick in the 1984 draft out of the University of North Carolina, he has graduated from amazing athlete to corporate pitchman to world champion and, finally, to cultural icon.

Last June, Fortune magazine estimated Jordan's career financial contributions to the NBA as $10 billion.

Beyond the statistics, Jordan became known for his drive and perseverance, and a fiery competitiveness. That was best exemplified when he shook off a viral infectioo in Game 5 of the 1997 finals against Utah, leading the Bolls to a crucial victory even as he was suffering from dehydration and so weak that he needed to lean on teammates for support.

He also became the sport's biggest draw, selling out arenas around the league as fans turned out to witness his electrifying array of soaring dunks and drives to the basket. A bronze statue outside the United Center commemorates Jordan and his contribution to the Bulls.

Except for participating in one or two early negotiating sessions, Jordan was not a presence in the labor talks that culminated with last week's agreement. He has instead been seen indulging his passion — golf — in places like the Bahamas, and Jordan's Bulls teammates acknowledge that he had not been consistently working out and getting in prime physical shape — a prerequisite for Jordan in every off season.

Jordan would be leaving the game on the highest note possible.

He led the Bulls to their third consecutive championship last June 16, carrying Chicago to its sixth title in eight seasons with a dramatic 40-second sequence in the clinching Game 6 victory over the Jazz.

But his retirement would be the linchpin decision in the disassembling of the Bulls. The first departure was the coach, Phil Jackson, who left the franchise after the Bulls won the title in June, saying he would take an extended sabbatical from the game before returning.

CROSSWORD

ACROSS

1 Sulu portrayer, in "Star Trek"
9 Prego competitor
10 Fakery
14 Out of whack
15 Where Qum is
16 Prefix with -gon
17 October and November?
18 Co-fighter
20 Ogee shape
21 Good time
22 A whole lot
24 Hoped-for review
25 Warning at St. Andrews
26 Bedouin's domain
29 Memorable
33 Potters' supplies
34 It leaves its mark on the beach
35 Ancient marketplaces
36 Kind of clef
37 Didn't just shrug the shoulders
38 Football Hall-of-Famer Tarkenton
39 Sea-diving area
40 Topple from power
41 Minotaur's land
42 Necessarily
44 Like this puzzle
46 Play the siren
48 Not legally binding
47 Yellowstone sight
50 Lo-cal
51 Brenda who sang "I'm Sorry"
54 Cassini of fashion
55 When origami flourished?
56 Foolhardy
58 All, to start with
60 Co-op contract
61 Speed unit
62 Distribe
63 Red Sea nation

DOWN

1 Unexciting
2 "Famous" name
3 It's sometimes stolen
4 Extreme suffix
5 Lines on a weather map
6 M-1, for one
7 Uzbekistan's —— Sea
8 Cowboy's date
9 Set free
10 Flintstone tone?
11 Scratch pad?
12 Bar on a car
13 Giant great
19 Broad bean
23 Scrap for Spot
24 Bradbury as an aviator?
28 —— mignon
26 Line of cliffs
27 French walk
28 Misanthrope
29 Buggy power
30 Composer Ned
31 All worked up
32 Punished, schoolmaster-style
34 Pesto, e.g.
37 Restricted air lane
41 For the most part
43 In the open
44 1939 movie canine
46 Call on
47 Have an effect
48 Rock-and-roll pioneer Freed
49 Colombian money
50 City between Boston and Salem
51 Potting soil
52 Different
53 First place
56 G.P.'s grp.
57 Invoice amount

Solution to Puzzle of Jan. 12

R	U	T	Z		S	T	O	P		A	O	R	T	A
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Puzzle by Richard Silvestri

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SCOREBOARD

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	21	9	10	52	120	82
New Jersey	22	12	5	49	116	104
Pittsburgh	19	10	7	45	107	94
N.Y. Rangers	16	17	7	39	110	111
N.Y. Islanders	13	26	3	29	96	124

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Ottawa	23	13	5	49	124	91
Toronto	23	15	2	48	129	114
Buffalo	21	11	6	48	109	78
Boston	19	14	6	44	104	89
Montreal	15	19	7	37	95	108

SOUTHEAST DIVISION

	W	L	T	Pts	GF	GA
Carolina	18	16	7	43	106	101
Florida	14	14	10	38	97	102
Washington	15	20	3	33	92	97
Tampa Bay	9	28	3	21	83	142

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Detroit	20	18	2	42	120	110
St. Louis	15	14	9	39	103	96
Nashville	14	22	4	32	94	129
Chicago	11	24	6	28	89	132

NORTHWEST DIVISION

	W	L	T	Pts	GF	GA
Colorado	18	19	4	40	99	106
Edmonton	16	19	5	37	114	109
Vancouver	14	22	5	33	106	123
Calgary	13	25	3	29	102	127

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Dallas	25	7	6	56	113	74
Phoenix	22	10	5	49	100	76
Anaheim	16	16	8	40	100	93
San Jose	13	17	10	36	91	95
Los Angeles	15	22	4	34	96	108

MONDAY RESULTS

St. Louis 0 1 0—1
Montreal 1 1 1—3
First Period: M-Dave 3 (Brunet, Hogland) Second Period: S.L.-Demitra 21 (Pershin) 3, M-Corson 8 (Recchi, Rodnsky) (pp). Third Period: M-Recchi 8 (Rodnsky, Ulanov) (en). Shots on goal: S.L.- 5-10-8—23. M- 11-7-7—25. Goalies: S.L.-McLennan. M-Hackett.

N.Y. Islanders 0 1 2—3
Washington 1 2 1—4
First Period: W-Johansson 7 (Jonsson, Pivonka) (pp). Second Period: New York, Reichel 9 (Poltry, Jonsson) (pp). 3. W-Gonchar 6 (Jonsson) 4. W-, Eagles 2 (Hunter, Berube) Third Period: W-Gonchar 7 (Nilsstitnt). 6. New York- Herlock 2 (Lapointe, Lawrence) 7. New York, Donato 6 (Smolinski, Czerkawski) Shots on goal: New York 7-12-6—25. W- 9-14-12—35. Goalies: New York, Potvin. W-Kolzig.

Ottawa 1 1 2—4
New Jersey 1 1 0—2
First Period: O-Yashin 18 (Redden) 2. N.J.- Shtalenov 6 (Morrison, Pederson) Second Period: O-Johansson 16 (Prospal, Hossa) 4. N.J.-Rolston 10 (Brylin, Holik) Third Period: O-Alfredsson 6 (York) 6. O-Hossa 4 (Bonk, Traverse) Shots on goal: O-12-9-7—28. N.J.- 9-10-3—22. Goalies: O-Rhodes. N.J.-Brodeur.

Nashville 0 0 0—0
Philadelphia 3 2 3—8
First Period: P-McGillis 5 (Lindros, Brind'Amour) (pp). 2. P-Lindros 22 (Desjardins, Brind'Amour) (pp). 3. P-LeClair 24 (Lindros) (pp). Second Period: P-Jones 10 (McGillis, LeClair) 5. P-LeClair 25 (Lindros, Brind'Amour) (pp). Third Period: P-Langkow 5 (Therien, Desjardins) 7. P-Forbes 9 (Desjardins, Langkow) 8. P-Daigle 3 (Vopat, Craig) Shots on goal: Nashville 12-5-7—24. P- 13-17-11—41. Goalies: Nashville. Vokoun, Mason. P-Vanbiesbrouck.

Buffalo 0 0 0—0
Phoenix 0 0 1—1
First Period: None. Second Period: None. Third Period: P-Drake 7 (Roenick, Numminen) Shots on goal: B-2-14-7—23. P-7-10-5—22. Goalies: B-Hasek. P-Khabibulin.

Los Angeles 0 0 0—0
San Jose 1 1 2—4
First Period: S.J.-Houlder 4 (Murphy) (pp). Second Period: S.J.-Murphy 11 (Marleau, Lowry) Third Period: S.J.-Lowry 4 (Nolan, Ragnarsson) (pp). 4. S.J.-Korolyuk 2 (Sutter) Shots on goal: L.A.- 10-12-8—30. S.J.- 10-9-14—33. Goalies: L.A.-Fiset. S.J.-Vernon.

BASKETBALL

U.S. COLLEGE SCORES

MONDAY RESULTS

MEN

TOP 25

No. 11. St. Johns (14-2) def. Georgetown 71-69.
No. 15. Kansas (12-3) def. Missouri 73-61.
No. 23. Texas Christian (13-2) def. Southern Methodist 92-79.

LEADING COLLEGES

Fairleigh Dickinson 75, Monmouth, N.J. 71
St. Francis, N.Y. 74, Long Island U. 68
Coll. of Charleston 81, Furman 68
Georgia Southern 75, The Citadel 51
Richmond 76, James Madison 69, OT
S. Carolina St. 72, Hampton 63
UNC-Greensboro 73, Davidson 67
VMI 91, W. Carolina 72
Valparaiso 71, Belmont 58

WOMEN

TOP 25

No. 12 Duke (13-4) def. Wake Forest 74-59.
No. 18 Florida. (13-5) def. Central Fla. 89-59.
No. 20 Penn St. (18-4) def. Michigan St. 90-66.
No. 22 Virginia (16-4) def. N.C. State 60-46.

THE AP WOMEN'S TOP 25

Top 25 teams in Associated Press' women's college basketball poll, with 1st-place votes in parentheses, records through Jan. 10, total points based on 25 points for 1st-place vote through 1 point for 25th-place vote and previous rankings:

	Record	Pts	Prv
1. Tennessee (39)	13-1	1,023	2
2. Connecticut	13-1	967	1
3. Purdue (2)	11-1	945	3
4. Georgia	14-0	906	4
5. Louisiana Tech	12-2	861	5
6. Texas Tech	14-1	799	7
7. North Carolina	18-2	719	6
8. Colorado St.	17-1	711	8
9. Notre Dame	12-2	684	9
10. UCLA	12-4	647	10
11. Old Dominion	9-2	587	11
12. Duke	12-4	555	13
13. Virginia Tech	15-0	552	14
14. Iowa St.	11-1	480	16
15. Rutgers	13-3	469	15
16. Clemson	13-2	460	12
17. Ohio St.	11-3	288	23
18. Florida	12-5	217	19
19. Alabama	10-5	199	18
20. Penn St.	9-4	189	17
21. Boston College	13-1	171	25
22. Virginia	9-4	162	22
23. Kansas	12-4	157	21
24. Nebraska	13-3	152	20
25. Auburn	12-2	112	—

Others receiving votes: Tulane 92, Fla. International 39, Oregon 30, LSU 21, UC Santa Barbara 21, Memphis 17, Santa Clara 17, Louisville 13, N. Carolina St. 12, Illinois 9, Oklahoma St. 8, Arkansas 7, St. Mary's, Cal. 6, Marquette 5, Michigan 5, W. Kentucky 4, Vanderbilt 3, Toledo 2, Drake 1.

CRICKET

NEW ZEALAND VS. NEW ZEALAND
SECOND ONE-DAY INTERNATIONAL
(DAY/NIGHT MATCH)
TUESDAY IN NAPIER, NEW ZEALAND

New Zealand: 213 in 49.3 overs.
India: 214-8 in 49.5 overs.
India won by two wickets. Series tied 1-1.

BOLAND VS. WEST INDIES
THREE-DAY MATCH, FINAL DAY
TUESDAY IN PAARL, SOUTH AFRICA

West Indies: 220 and 307.
Boland: 135 and 123-5.
Match ended in a draw.

GOLF

RYDER CUP

Standings for Ryder Cup matches Sept. 26-28 at The Country Club in Brookline, Mass.:

UNITED STATES

1. David Duval 762,500
2. Mark O'Meara 737,500
3. Jim Furyk 515,500
4. Tiger Woods 506,875
5. Steve Stricker 412,500
6. Davis Love III 407,500
7. Fred Couples 367,500
8. Billy Mayfair 347,500
9. Phil Mickelson 331,250
10. Fred Funk 305,000
11. Lee Janzen 295,000
12. Justin Leonard 294,375
13. Payne Stewart 292,500
14. Hal Sutton 266,250
15. Mark Calcavecchia 252,500

EUROPE

1. Colin Montgomerie, Scotland 318,020.00
2. Darren Clarke, N.Ireland 235,090.00
3. Miguel Angel Jimenez, Spain 179,510.00
4. Sven Strüver, Germany 150,525.00
5. Lee Westwood, England 140,007.57
6. Robert Karlsson, Sweden 129,030.00
7. Andrew Coltart, Scotland 116,566.00
8. Jarmo Sandelin, Sweden 116,324.12
9. Patrik Sjoland, Sweden 101,830.00
10. Pierre Fulke, Sweden 77,330.00
11. Gordon Brand, Jr., Scotland 76,733.81
12. Alex Cejka, Germany 70,221.67
13. Per-Ulrik Johansson, Sweden 69,785.00
14. Sam Torrance, Scotland 67,487.50
15. Costantino Rocca, Italy 63,631.11

SKIING

WORLD CUP

TUESDAY IN ADELBODEN, SWITZERLAND
MEN'S GIANT SLALOM

1. Hermann Maier, Austria, 2:12.66
2. Kjetil Andre Aamodt, Norway, 2:12.94
3. Benjamin Raich, Austria, 2:13.48
4. Fredrik Nyberg, Sweden, 2:13.51
5. Andreas Schifferer, Austria, 2:13.87
6. Michael Von Grunigen, Switz., 2:13.96
7. Marco Buechel, Liechtenstein, 2:14.05
8. Bode Miller, United States, 2:14.19
9. Stephan Eberharter, Austria, 2:14.21
10. Paul Accola, Switzerland, 2:14.52

GIANT SLALOM (after 6 races): 1. Von Grunigen, 323 points; 2. Maier, 321; 3. Aamodt, 274; 4. Christian Mayer, Austria, 261; 5. Stephan Eberharter, Austria, 260; 6. Patrick Holzer, It., 254; 7. Raich, 246; 8. Hans Knauss, Austria, 161; 9. Buechel, 160; 10. Schifferer, 156.

OVERALL (after 10 events): 1. Maier 911; 2. Aamodt, 683; 3. Eberharter, 593; 4. Lasse Kjus, Norway, 592; 5. Mayer, 553; 6. Knauss, 454; 7. Von Grunigen, 431; 8. Raich, 406; 9. Schifferer, 386; 10. Jure Kosir, Slovenia, 357.

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

BOSTON—Agreed to terms with RHP Pat Rapp on 1-year contract.

CLEVELAND—Signed RHP Jim Brower and C Angelo Encarnacion to minor league contracts.

N.Y. YANKEES—Agreed to terms with RHP Don Nauity on a one-year contract.

OAKLAND—Agreed to terms with RHP Doug Jones on 1-year contract.

TAMPA BAY—Named Doug Witt area scouting supervisor.

TEXAS—Agreed to 2-year extension of their player development contract with Oklahoma of PCL. Named Dick McLaughlin minor-league rowing and baserunning instructor, Jim Murphy coach with Savannah, SAL, and Carlos Subero coach with Rangers, GC.

NATIONAL LEAGUE

ATLANTA—Announced retirement of Bill Wright, major league scout.

CINCINNATI—Agreed to terms with C Brian Johnson on 1-year contract.

FLORIDA—Agreed to terms with RHP Matt Mantei on 1-year contract.

MILWAUKEE—Agreed in terms with OF Rich Becker.

PITTSBURGH—Agreed to terms with LHP Jeff Tabaka, RHP Marc Wilkins, and RHP Mike Williams on 1-year contracts.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

GREEN BAY—Named Ray Rhodes coach.

KANSAS CITY—Announced resignation of Marty Schottenheimer, coach.

PHILADELPHIA—Named Andy Reid coach.

HOCKEY

NATIONAL HOCKEY LEAGUE

CALGARY—Recalled F Rocky Thompson from Saint John, AHL.

DETROIT—Signed and waived F Petr Klima.

MONTREAL—Assigned G Philippe DeRouville to Utah, IHL.

SAN JOSE—Recalled D Andrei Zyuzin from Kentucky, AHL.

TORONTO—Recalled G Francis Larivee from Chicago, IHL.

COLLEGE

EASTERN KENTUCKY—Announced F Charles Thomas is giving up basketball because of chronic back injury.

هكذا من الأصل

SPORTS

Atletico's El Presidente Ensnared in New Drama

Gil in Hospital but May Soon Return to Jail

By Rob Hughes
International Herald Tribune

LONDON — Good sports never kick a man when he is down, but maybe an exception ought to be made. Jesus Gil is the president of Atletico Madrid, who hires and fires without mercy or rationality. Gil is in a Spanish hospital with mild heart trouble. When he is released from the cardiac ward, the likelihood is that he will go back to jail before his lawyer bails him out long-term.

One must not prejudge El Presidente, not in his current case at any rate. But

European Soccer

Judge Santiago Torres thought there was evidence enough that Gil has been defrauding the town hall of Marbella to finance his soccer mania — and the judge must have known the soap opera antics Gil and his followers would contrive once he was locked up last Friday on alleged embezzlement charges.

Indeed, the pantomime preempted the imprisonment. Gil was transported to Alhaurin de la Torre jail in Malaga Province by police van, but theatrically ordered his white Rolls-Royce, his chariot of office as mayor of Marbella, to trail the van every inch of the way.

At the gates, he told waiting reporters: "Everything is fine, and I am relaxed. I am going to jail. This way the lynching campaign against me is over."

The enemies of Gil are many. There is Josep Lluis Nunez, president of Barcelona's soccer team, who was baying for Gil's scalp from the soccer authorities after Gil publicly accused Nunez of "buying off" referees.

There are 22 coaches Gil has dismissed, some more than once, over 11 years at Atletico Madrid. There is the rival club president whom he physically assaulted after a match, and the relatives of 58 people killed when a building constructed by Gil's company collapsed, and he was jailed for criminal negligence more than 30 years ago.

For every foe, there is a friend, and for every friend a fanatic. On Sunday, while Gil was a captive viewer of the prison's television, his club dramatically opened the gates to Vicente Calderon stadium in Madrid and spectators were admitted free, and while Atletico's players exploited Extremadura's penalty box to score five goals, the fans were whipped up in an orchestrated "The Presidente Is Innocent" campaign.

The Vicente Calderon stadium is a starkly cavernous bowl. It echoed Sunday to the rallying cry of Gil's vice president, Lazaro Albarracin, who, before Atletico's players — there shirts bear the name Marbella — came out, exhorted the 50,000: "We want to show our friendship, solidarity and support for an honest man."

The giant screen lit up the words "Freedom for Jesus Gil." Gil's son dismissed the charge that 450 million pesetas ($3.1 million) of Marbella's funds had been siphoned off.

"My father," said Miguel Angel Gil, "may have overstepped the mark sometimes in what he said, but he is no crook."

Some of Gil's supporters moved in on the Madrid headquarters of the Spanish soccer federation, smashing a few windows and daubing radical slogans on the building. It was harmless compared to the execution outside Gate 6 of the Vicente Calderon stadium a month ago, where a thug of the so-called ultra Atletico faction "Bastion" stabbed a Real Sociedad fan through the heart.

Typically, in Jesus Gil's first interview after the murder, he said: "It was outside the stadium, nothing to do with us."

I thought then of the unthinking, uncaring manner with which Gil insults even his own. Three years ago, displeased by the team's poor form, he picked on Adolfo Valencia, the tall Colombian his money had bought.

"He should unload boxes of fish at the market," Gil scoffed. "I'll machine-gun the entire team and as for the black man," he said of Valencia, "I've had enough of him. I'll cut off his head and paint him white."

As El Presidente once also said, but of his Mexican striker Hugo Sanchez: "The best thing he can do is get out of Spain. He's bad news, worse than a piranha in a bidet."

The same president gave all the players solid gold watches when their triumphs pleased him. He offered each a Rolls-Royce like the one he uses in his ceremonial duties. And when the Spanish federation or UEFA fined him, he either raged that he would never pay, or settled the debt like brushing off a hair off his lapel.

Gil's generosity has bought Atletico riches it could never otherwise dream of. He has lured a collection of world talents, coaches as well as performers. The team has defeated the powers of Real Madrid and Barcelona, and currently, Madrid's "second" team is ahead of the first in the Primera League.

No one can say how long the boss, El Jefe Gil, will be detained, though with his track record it is unlikely either hospital or prison will hold him as long as it might other men. As he plots his escape, one can envisage the next scene in the soap opera.

Rob Hughes is the chief sports correspondent of The Times of London.

Cruyff and Pele Top Poll on the Century

The Associated Press

ROTENBURG, Germany — Dutchman Johan Cruyff was voted Europe's top soccer player of the century and Pele took top honors among South Americans in a poll of soccer experts and others.

The poll was conducted by the International Federation for Football History and Statistics, an organization of experts, historians and trade journalists worldwide.

Cruyff edged Franz Beckenbauer, the German whom he faced in the 1974 World Cup, by 44 votes, 753 to 709. The Argentine-born Alfredo di Stefano, who also played for Spain, was third with 708.

Pele, a Brazilian, had 220 votes and easily outdistanced Diego Maradona of Argentina, who had 193. George Weah of Liberia was voted Africa's top player. Bum Kun Cha of South Korea, Wynton Rufer of New Zealand and Hugo Sanchez of Mexico came in first for Asia, Oceania and the Concacaf zone.

Claudio Santoro/The Associated Press

ON THE EDGE — Hermann Maier of Austria during the first run of the World Cup giant slalom Monday in Adelboden, Switzerland. Maier delivered a risk-packed second run to collect his sixth victory of the season.

'Why Should I Hide?' Korda Says

The Associated Press

MELBOURNE — Petr Korda said Tuesday that he would defend his Australian Open title because he had proved his innocence on drug charges and had no reason to hide from his fellow players.

A player backlash against Korda, who tested positive to the steroid nandrolone in July at Wimbledon, resulted in the International Tennis Federation appealing a ruling of its own appeals commission.

Korda, 30, was stripped of ranking points and prize money won at Wimbledon, but the committee ruled against imposing the maximum one-year ban because it believed he did not knowingly take the drug.

"I wanted to play in Australia because I haven't done anything, why should I hide?" Korda said at a Melbourne warm-up event. "I don't have a problem standing in front of anyone. I just want to show the world I'm still capable of playing tennis and I want to defend my title as well as I can."

Korda would not comment Tuesday on the International Tennis Federation's decision to refer the case to the Court of Arbitration for Sport, a process that could take three months.

"I have proved my innocence in accordance with the ITF's own rules to the satisfaction of extremely well-qualified legal and technical members of the independent appeals committee," Korda said. "I would like to think that everyone will now respect that finding."

While such players as Jonas Bjorkman, Richard Krajicek and Lindsay Davenport have questioned Korda's escape from a ban, he found one supporter in Andre Agassi. Agassi had a training session Monday with Korda and said Tuesday said it was too early to condemn the Czech player.

"To be quite honest I feel the need to give the benefit of the doubt to Petr and the committee," Agassi said. "It's certainly a situation that's not easy on anyone, especially Petr at the moment."

The world's leading players will meet Saturday in Melbourne and the case will be assessed at the meeting, Agassi said.

William West/Agence France-Presse

Petr Korda again said he had never knowingly taken banned drugs.

Flyers Soar, And Ottawa Keeps Pace

The Associated Press

There are not many teams playing better hockey than the Philadelphia Flyers just now. The Ottawa Senators are giving it a pretty good try, though.

While the host Flyers beat the Nashville Predators, 8-0, Monday night to extend their unbeaten streak to 14 games, the Senators made it nine straight without a loss with a 4-2 victory at New Jersey.

"We expected to have a good year, but a run like this doesn't happen very

NHL Roundup

often," the Senators' Jason York said. "We don't really want to think too much about this. We just want to keep doing the things we are doing and just keep winning like we are winning."

Daniel Alfredsson broke a tie early in the third period, and Alexei Yashin, Andreas Johansson and Marian Hossa also scored as Ottawa (22-13-5) moved into first place in the Northeast Division by one point over Toronto.

The Flyers, meanwhile, continued the NHL's longest current unbeaten streak — second only this season in the 15-game streak by the Dallas Stars.

The Flyers (21-9-10) improved their Atlantic Division lead to three points over New Jersey. John LeClair had two goals and an assist, and John Vanbiesbrouck earned his second straight shutout for Philadelphia.

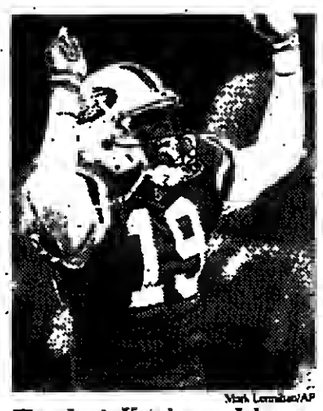
Capitals 4, Islanders 3 In Washington, Sergei Gonchar scored twice as the Capitals stretched their winning streak to a season-high four games by beating the Islanders and ruining the debut of Felix Potvin in goal for New York.

Canadiens 3, Blues 1 Jason Dawe scored his first goal for Montreal as the host Canadiens beat St. Louis for their seventh victory in eight games.

Coyotes 1, Sabres 0 Dallas Drake scored with 16:25 remaining and Nikolai Khabibulin made 23 saves for his fourth shutout of the season and 17th of his career as host Phoenix beat Buffalo to snap a four-game winless streak.

Sharks 4, Kings 0 Mike Vernon stopped 30 shots as San Jose beat visiting Los Angeles, ending the Kings' six-game unbeaten streak.

Johnson's Virtuosity Wins Over Jets Fans and Critics



Mark Lennihan/AP

The Jets' Keyshawn Johnson, who also recovered a fumble.

By William C. Rhoden
New York Times Service

EAST RUTHERFORD, New Jersey — Keyshawn Johnson bailed out a lot of people last Sunday. He bailed out a Jets team that showed signs of shrinking from its destiny, and he bailed out a defense that turned careless and porous. He even bailed out Curtis Martin, his offensive soul mate, whose second-quarter fumble could have put Jacksonville back in the game.

It was a great day on the strength of Johnson's statistics alone: nine receptions that matched a New York Jets postseason record, 121 yards and two touchdowns — one on a 21-yard pass play and the other a 10-yard reverse.

It was a performance of Thorpean dimensions: Johnson caught the ball, Johnson ran the ball and, at the end of a game in which the Jets completed one of the most spectacular resurrections in pro football history, Johnson even intercepted the ball.

At the end of the game, with the Jets holding a 10-point lead, Johnson lined up in the defensive secondary. When Mark Brunell heaved a last gasp desperation pass, Johnson went up in a crowd.

For the few seconds the ball was airborne, Johnson was back in a Los Angeles schoolyard playing the football version of King of the Hill, everyone going for himself. The toughest player comes down with the ball. Johnson came down with the ball.

As the Jets came off the field and entered their locker room after their 34-24 victory, Johnson held the intercepted ball like a trophy, an affirmation of everything he had done in three years. The book, the bluntness, the braggadocio — this ball represented the exclamation point to a young career that had just shifted upward three speeds.

"He's a tough kid," Bill Parcells, the Jets' coach, said afterward.

Johnson's was one of those breakthrough performances that spoke for itself but connected with fans.

The bottom line was that Johnson pulled the Jets closer to the top of a mountain that two seasons ago seemed unconquerable. He did it with an all-around performance that revealed a level of resolve that had to win over his most vehement critics. Johnson is not the graceful swan-type receiver who soars and glides. He is an angular, indomitable presence, who has often been crowded by scrutiny and critics.

Now Johnson has earned just a little more elbow room.

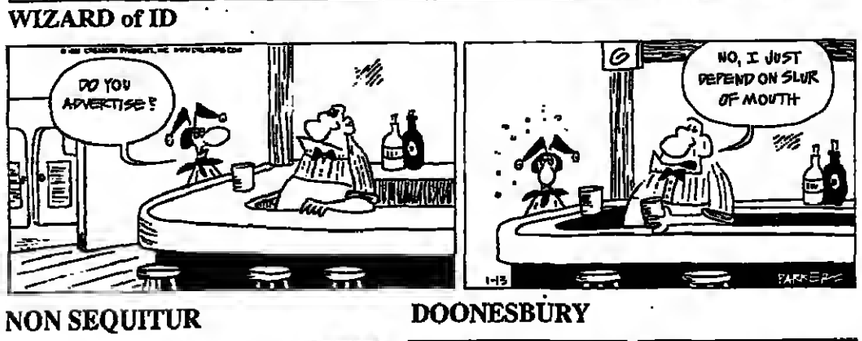
DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

GARFIELD

WIZARD of ID



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

TUMON

GLITH

MIRVEN

RIJEGG

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: HE WAS "__ - __" (Answer tomorrow)

Yesterday's Jumbles: FENCE GIVEN ENGULF OLIVER
Answer: A highly bad model will enjoy this — A NICE FIGURE

BEETLE BAILEY

NON SEQUITUR

DOONESBURY

BLONDIE

POSTCARD

In Vino No Veritas

By Elisabeth Bumiller
New York Times Service

NEW YORK — Consider a typical 1980s New York evening in the life of Susan Cheever, the writer, daughter of the famous novelist and alcoholic:

First came, "the dressing drink," a sherry or two while dressing for a dinner party; next, "a couple of stiff ones," Scotch in winter, gin and tonic in summer, martinis if your host offered them, at cocktail time. Theo came wine with dinner, often a whole bottle. Finally there was a nightcap, maybe a liqueur. "I loved Cointreau," Cheever said.

By the end of the decade and the birth of her second child, Cheever had reformed: She had given op hard liquor for white wine, which was hardly drinking at all. Or so she told herself. She had her last drink in April 1991. Her father, John Cheever, had his last drink in 1975, seven years before his death. Now, maybe inevitably, comes Cheever's new memoir, "Note Found in a Bottle: My Life as a Drinker." If it does oot "redefine alcoholism," her stated goal, it does catalogue firsthand the drinking rituals of at least certain families in the old Puritan-descended upper class.

□

The book takes its place among other alcoholic memoirs of the 1990s. Pete Hamill's "A Drinking Life" was published in 1994 and Caroline Knapp's "Drinking: A Love Story" in 1996. But its particular interest lies in its literary provenance. It also makes Cheever an interesting target. Althoogh Publishers Weekly called her book "a powerful story written in precise, emotionally intense prose," Jonathan Yardley dismissed her in The Washington Post as a "professional daughter, alcoholic variety" who is adding "another chapter to her endless exploration and glorification of a life that long ago lost any claim on the attentions of others."

□

Cheever, 55, has written eight other books, including "Home Before Dark," a memoir of her father that chronicles oot only his drinking, hut also his hisexuality.

She talked last week in her sunny and modest East End Avenue apartment, and was more likable than the self-absorbed baby boomer she describes in "Note Found in a Bottle" — a woman who had three bad marriages, and who at the height of her drinking (1985) sometimes slept with three men in ooe day. "It made sense at the time," Cheever said. Of course: "I was dying inside. It was insane." By early 1990, a few months after her son was born, she was thinking constantly of suicide, and had a plan to jump out the window. Why that way? "Quick," she said. "And certain." A psychiatrist prescribed Prozac, which helped.

In 1991, she finally went to an Alcoholics Anonymous meeting on the Upper East Side — she had attended other meetings years before with her father — and on the way back, as she describes it, experienced "a profound shift" that "came through the grace of God." Raised as a "rogue Episcopalian," she said she now goes sporadically to Sunday services.

She hopes the Cheever drinking disease will stop with her, and not pass oo to her children. And, she prays all the time. "I think," she said, "my principle prayer is, 'Help — please.'"

Death, Atrocity, Shakespeare! Roll 'Em!

By Roderick Conway Morris
International Herald Tribune

ROME — It is a cold, dank winter's night in the Roman countryside. Anthony Hopkins, in a bathrobe, shambles from the shadows in the garden of an antique, ivy-clad villa into the glare of the lights and hids a young man to summon the guests to dinner.

The scene is the prelude to the bloody end of Shakespeare's "*Titus Andronicus*," in which Hopkins plays the title role, now being shot at Cinecitta and oo location in and around Rome by the American director Julie Taymor. As those familiar with the drama will recall, Titus's banquet is to feature a pie made of the murdered sons of one of the guests, Tamora, queeo of the Goths (played by Jessica Lange).

The party concoction is Titus's revenge for Tamora's soo's abductioo of his daughter, Lavinia, from which she returns, in the words of the most startling stage direction in the entire canoo of Elizabethan and Jacobean tragedy, with "her hands cut off, and her tongue cut out, and ravish'd."

The sibling pie and the atrocities suffered by Lavinia are just two incidents in a ghastly catalogue of torture, human sacrifice, self-mutilation, stabbings and decapitations that puoctuate the budding young playwright's first Roman drama. Indeed, the excess of horrors in "Titus" can make other cootemporary revenge plays look as tame as the Teletubbies — one reason scholars have long disputed that the piece could be by Shakespeare at all, and why it is seldom staged.

Taymor has been known principally as a theater director, although she has made two films — of her own production of Stravinsky's "Oedipus Rex" and of an Edgar Allan Poe story. Her Broadway stage adaptation of Disoey's "The Lion King" has been a runaway success, and has just opened in Japan. She has staged Shakespeare's "The Taming of the Shrew" and "The Tempest," and after her Off-Broadway production of "Titus" she raised oearly $20 millioo for this U.S.-Italian joint productioo.

"I think 'Titus' is a very underrated play," Taymor said at her apartment in Rome after a series of grueling all-night shoots in freezing and often rainy weather. "It was ooe of his earliest, possibly his first play, and it cootains the seeds of many later ones, like 'Lear,' 'Hamlet,' 'Othello' and 'Richard III.' In his day it was also one of his most popular. It's exciting, moving, very easy to follow and extremely dramatic. But it went out of fashion because it became thought of as being in had taste. When I read it some years ago I couldn't believe that anything written so long ago, anything on the written page even, could shock me so moch. But when I did it on stage it was very successful and audiences really took to it, and I began to think what a great movie it would make."

Julie Taymor conferring with Anthony Hopkins on the set of "Titus."

Taymor decided Rome was the best place to shoot, and was able to recruit two internationally renowned collaborators: the set designer Dante Ferretti, who has worked with Pasolini, Fellini and Zeffirelli, and Milena Canonero, Italy's leading costume designer.

"I love the stratification of eras in Rome, the layers upon layers of history huilt one upon the other," she said. In fact, her "Titus" is not placed strictly in the Imperial Roman era hut moves betweeo epochs. So the backdrops include not only such classical sites as the Caracalla Baths, but also Mussolini's model district of Fascist architecture, the E.U.R., with its so-called Square Colosseum, "a mooolithic, terrifying building," Taymor said.

Costumes, too, cross epochs — Lange is styled as a Fascist-era vamp — though there is a considerable quantity of re-created ancient Roman hardware, giving Cinecitta's prop departments more work of this kind than they have had since the epic blockbusters "Spartacus" and "Antony and Cleopatra."

The action opens and closes in the Colosseum, inaugurated by Emperor Titus in A.D. 80, where scores of gladiators and 5,000 animals were killed in the first 100 days of games. Taymor decided on the opening shot before she knew it was Titus who had opened the arena, since "the Colosseum is recognized all over the world as the ultimate symbol of the theater of cruelty." But because the Colosseum oo longer has its floor, the scenes set there were actually filmed in the almost perfectly preserved Roman amphitheater at Pola in Croatia, and the Zagreb Police Academy contributed to the army of extras.

While "Titus" has often been seen as the bard's youthful excursion into sensationalist Grand Guignol, Taymor said she believed the play is a more serious study of what makes people violent and violence's consequences.

"I've dealt with violence often in the theater," she said, "and I think that if you totally stylize it, it becomes poetic, intellectual and almost beautiful, and this allows the audience to bear watching it. But you can also miss the point of the raw feeling of disgust you feel in your stomach when you witness real violence. So in this respect I am, more than ever, trying to find a balance."

"In the stage play," she continued, "Shakespeare doesn't show Lavinia's hands being cut off or her being raped. But he does show Titus's hand being severed. So there were times when Shakespeare decided that you should see something happen, but at other times what is in your imagination is even more extreme than anything you could ever show on stage, and I have fairly much followed Shakespeare in his directions for the play, while adding some surreal dream and nightmare sequences inspired by his imagery."

One of the major appeals of "Titus," Taymor added, was that there are so many good parts, rather than one or two dominant roles. Apart from the veterans Hopkins and Lange, she has brought in several up-and-coming hot properties from both sides of the Atlanoc, including Alan Cummings, Colm Feore, James Frain, Jonathan Rhys-Myers and his brother Matthew Rhys.

Cast as Aaroo the Moor, the arch manipulator and lover of Tamora, who bears his child, is the American Harry Lennix, who originally played the part Off-Broadway. "Aaron is the model of Iago in 'Othello,' of course," Taymor said, "but I find him much more interesting, because you never really understand why Iago is the way he is. But with Aaron, Shakespeare makes it clear that he has become an evil genius because of the way he has been treated. Titus starts out as the hero and Aaron the devil, hut they begin to switch places and Titus begins to do inhuman things. And to watch Aaron change when his child is born and he becomes utterly absorbed by his own flesh and hlood is fascinating."

The director added: "It's a humongous film and has a modest hudget considering what we are trying to do. It's Shakespeare's most violent play, hut it's also one of his funniest. He was very young when he wrote it and it has a brashness and an over-the-top view of humanity that became tempered in his later plays."

PEOPLE

THE actor and rapper **Will Smith** was the hig winner at the 26th annual *American Music Awards*. Smith won three of the four categories in which he was nominated, including favorite album ("Big Willie Style") in both the pop-rock and soul-R&B categories. He was also named favorite male soul-R&B artist. He was prevented from making a clean sweep when **Eric Claptoo** won for favorite male pop-rock artist. The Canadian pop-rocker **Shania Twain**, who had led the field with five nominations, woo just ooe trophy — as favorite female couotry artist. **Garth Brooks** and **Celine Dioo** each woo two trophies, Brooks for favorite male artist and favorite album ("Sevens") and Dioo for favorite female artist in both the pop-rock and adult contemporary categories. **Alabama** won the favorite country-band award for the 16th time in 17 years.

□

The rappers **Sean (Puffy) Combs** and **Heavy D** are half responsihle for a stampede at a party that left nine people dead in 1991, a state judge in New York has ruled. The City College of New York, where the party was held in a gymnasium, bears the rest of the responsihility, **Judge Louis Benza** of the Court of Claims ruled. The people were killed when fans rushed a celebrity hasketball game and party sponsored by Combs. Benza said school officials knew the event was oversold and failed to provide adequate supervisioo of the crowd in part hy abandoning security duties to Combs. The judge said Combs's security people closed the only door to the gym and propped a table behind it to make sure only those who had paid could enter.

□

Susan Sarandon kicked off her shoes and reveled in the "squishiness" of wet cement at Hollywood's Mann's Chinese Theatre. Sarandoo's footprints, handprints and signature joined those of dozens of other stars in the theater's forecourt. The actress won an Academy Award for her role in the 1995 film "Dead Man Walking."

□

Robbie Williams, once the bad hoy of British pop, landed a record six nominations Tuesday for the Brit Awards, the British music industry's ultimate accolade. Williams, who left the hugely successful group **Take That**, battled alcohol and drug problems before carving out a successful solo career now peppered with hit singles. The Brit Awards will be given in London on Feb. 16.

□

The Canadian producer and director **Norman Jewison** will receive the Irving Thalberg Memorial Prize for "creative producers whose work constantly reflects a high level of quality in cinema production" at the Academy Awards ceremony on March 21. Jewison's films include "In the Heat of the Night" (1967), an Oscar winner as best picture.

The pop group Blondie after performing at the American Music Awards.

Three New 'Masters' of American Jazz

New York Times Service

NEW YORK — Art Farmer, Dave Brubeck and Joe Hendersoo have beeo named 1999 American Jazz Masters hy the National Endowment for the Arts.

Farmer, the trumpeter and flügelhorn player; Brubeck, the pianist and composer, and Henderson, the tenor saxophonist, will each receive a fellowship that includes a $20,000 honorarium.

Bill Ivey, chairman of the arts endowment, said the three musicians "have enriched this country with their astounding artistic achievements." They join such previous hooorees as Dizzy Gillespie, Betty Carter, Miles Davis and Sarah Vaughan.